



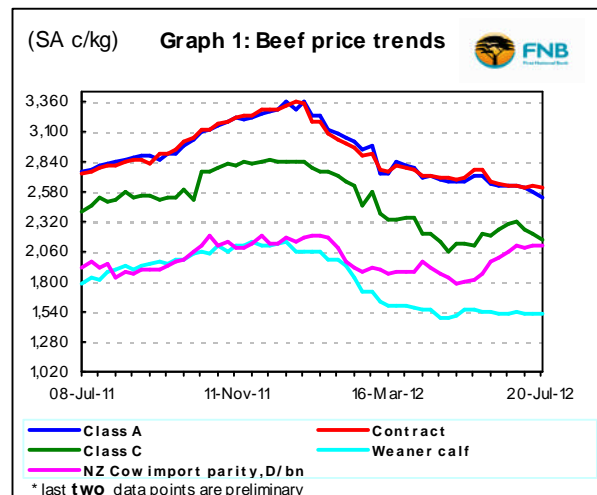
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<https://www.fnbagricomms.co.za>

Beef market trends (Graph 1)

- International:** US lean boneless processing beef prices moved sideways on moderate demand and light supplies. Import prices were mostly lower under pressure due to weaker than expected Independence Day holiday demand and lower domestic prices. US Boxed beef cut-out values, the indicator of beef prices at wholesale level, continued to trend lower on softer demand and moderate supplies. Choice beef fell by 1.6% w/w at \$193.52cwt, but up 7.9% y/y. Select beef fell by 1.9% w/w but up 1.4% y/y at \$179.38/cwt. In the cattle market, the CME Feeder Cattle Index closed at \$146.16/cwt, down 1.0% w/w and 6.3% y/y. In Australia, the benchmark Eastern Young Cattle Indicator (EYCI) strengthened on the back of a further decline in supplies on markets. The EYCI advanced by 0.9% w/w and 1.1% y/y and closed at AU\$3.79/cwt. In New Zealand, the New Zealand steer prices remained unchanged at NZ\$3.85/kg, but still down 4.0% y/y.
- Domestic:** Beef prices softened on subdued demand and moderate supplies. Weekly Class A beef prices declined by 0.7% w/w and 5.0% y/y and closed at R26.18/kg. Contract Class A beef prices traded down 0.4% w/w and 4.3% y/y to close at R26.15/kg. Class C beef traded down 3.2% w/w and 6.4% y/y at R22.53/kg. Weaner calf prices fell by 1.2% w/w and 14.0% y/y and closed at R15.30/kg live weight.

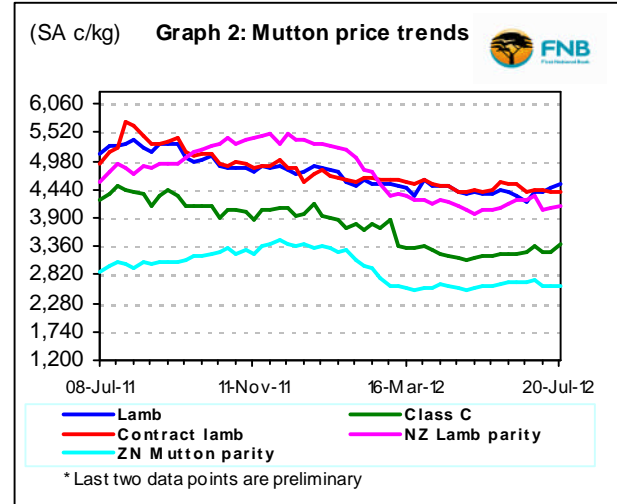


OUTLOOK

The market will maintain the current momentum in the short term with limited upside potential for the medium term due to the seasonal weakness in demand.

Mutton market trends (Graph 2)

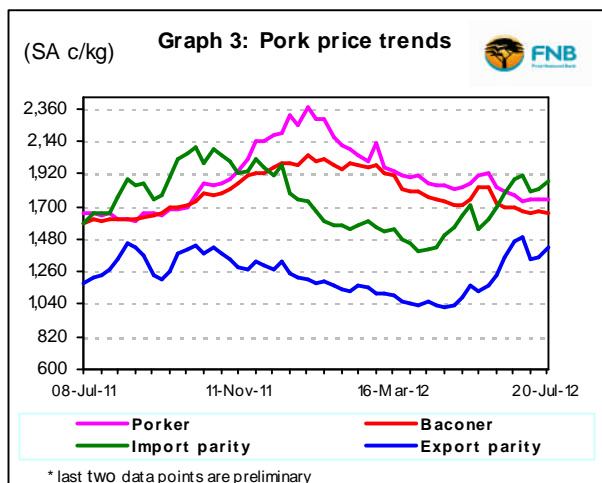
- International:** Australian lamb prices extended recent gains due to a further reduction in supplies on markets. Lamb supplies were reported down 5.0% w/w, which saw the Eastern States Trade Lamb (ESTL) indicator trading up 2.5% w/w to close at AU\$4.14/kg cwt. This is however still 18.8% lower y/y. The export market remained under pressure due to a stronger Australian dollar and weak demand. In New Zealand, prices trended firmer on limited supplies. NZ exports during May were reportedly at a record high with China accounting for the bulk of the shipment. NZ lamb exports to China increased by 46.0% y/y to 7.700 tons. US domestic Lamb Carcass Cut-out values ended mixed with light to moderate demand for light weight carcasses and limited demand in the heavier category. The overall US lamb carcass cut-out closed up 1.1% w/w at \$308.66/cwt, but still down 16.2% y/y. The estimated US year-to-date sheep slaughter came in at 1.0m head, down 3.9% y/y.
- Domestic:** Lamb prices posted marginal gains on light supplies and moderate uptake. Weekly Class A lamb advanced by 0.3% w/w to close at R43.96/kg, but still down 14.0% y/y. Contract Class A lamb prices gained 0.4% w/w at R44.52/kg, but still down 9.4% y/y. Mutton was the exception, falling by 3.5% w/w and 23.8% y/y to close at R32.38/kg. In the weaner lamb market, prices rebounded and closed up 1.8% w/w but still down 20.7% y/y at R22.40/kg live weight.


OUTLOOK

Prices are expected to trade at current levels in the short to medium term on softer demand.

Pork market trends (Graph 3)

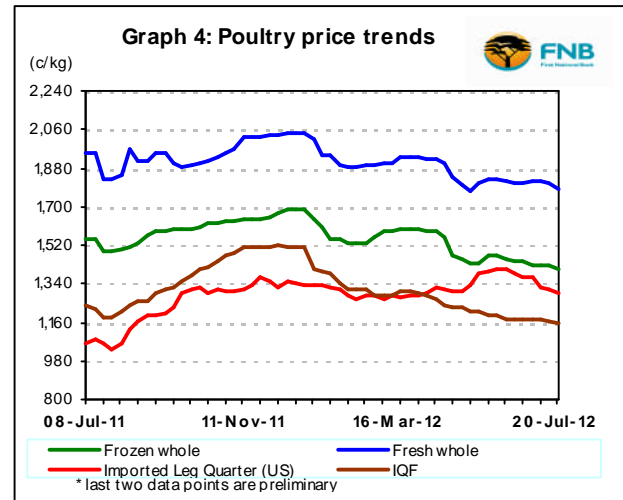
- International:** Prices on the US domestic pork market posted sharp losses on increased supplies and weak demand. Prices were down across the board with the biggest losers in the boneless loins and light spareribs due to limited demand and heavy supplies. Weekly loin prices traded down 12.8% w/w and 5.8% y/y at \$105.21/cwt. Ribs traded at \$134.48/cwt, down 12.4% w/w and 9.6% y/y. Hams traded down 3.8% w/w and 8.0% y/y at \$71.94/cwt.
- Domestic:** On the domestic market, prices ended mixed with baconers on the downside. Weekly baconer prices traded down 1.4% w/w but still 3.8% higher at R16.51/kg. Porker on the other hand traded marginally higher at R17.50/kg, up 0.7% w/w and 5.7% y/y. Import parity prices fell sharply due to the combination of a stronger Rand/US dollar exchange rate and lower international prices. Weekly import parity prices fell by 6.0% w/w but still 12.9% higher y/y.


OUTLOOK

Prices are expected to trade at current levels in the short term with limited further upward potential in the medium term.

Poultry market trends (Graph 4)

- International:** US domestic prices regained some ground and finished marginally higher across most categories. Leg quarters were however the exception, trading 2.2% lower w/w but still up 11.7% y/y at US\$2.33c/lb. Whole bird prices were firmer at US\$94.67c/lb, up 0.2% w/w and 8.6% y/y. Breasts were steady at US\$100.33c/lb, up 19.9% y/y. Wings traded up 0.2% w/w and 118.8% y/y at US\$184.50c/lb. US broiler egg sets and chick placements declined further. Broiler egg sets were reported slightly lower while chick placements fell by 2.0% y/y. The number of broilers available for marketing for the week ending 11 Aug-2012 was estimated at 153.5m head, down 0.5% w/w and 3.8% y/y.
- Domestic:** On the local market, prices were steady. Weekly fresh whole bird prices traded at R18.15/kg, but still 7.0% lower y/y. Frozen whole bird prices were unchanged at R14.27/kg, down 7.6% y/y. Individually Quick Frozen (IQF) portions also steadied at R11.71/kg, but still down 5.5% y/y. Market activity remained subdued with slow movement of product due to abundant supplies. Meanwhile, the increase maize prices will further squeeze producer margins due to their impact on feed costs.

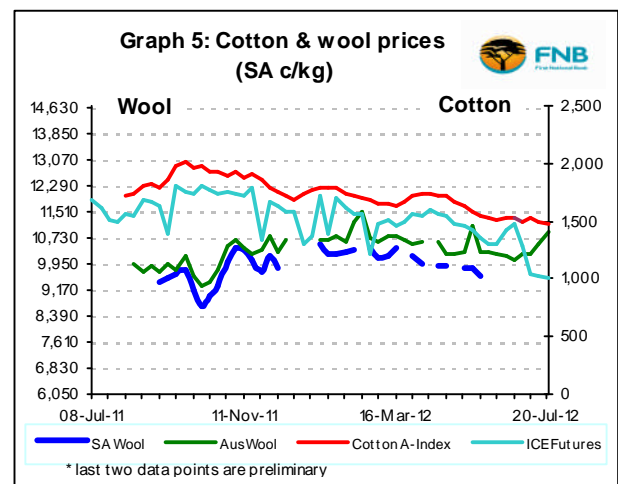

OUTLOOK

It is expected that the market will remain under pressure with limited upward potential in the short to medium term.

Producer prices for selected livestock commodities 06 July 2012	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	26.18	43.97	17.50	18.15
Open market: Class C / Baconer / Frozen whole birds(R/kg)	22.53	32.38	15.35	14.27
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	26.15	44.52	16.51	11.71
Import parity price (R/kg)	21.01	25.96	17.98	13.21
Weaner Calves / Feeder Lambs (R/kg)	15.30	22.40		

Wool and cotton market trends (Graph 5)

- International:** Cotton prices regained some ground and finished modestly higher. Prices closed up 3.4% w/w at US\$83.85c/lb. Yield concerns due to the dry and hot weather conditions were the main drivers. However, softer demand and ample world supplies limited further gains. Cotton futures on the InterContinental Exchange (ICE) eased lower across the board. The Oct-12 cotton futures fell by 2.4% w/w at US\$70.53c/lb, Dec-12 was down 1.9% w/w at US\$70.62c/lb, and Mar-13 was down 1.8% w/w at US\$71.90c/lb. Wool: In Australia, the Eastern Market Indicator gained 0.1% w/w but still down 20.8% at AU\$10.77/kg clean wool with a total offering of 32,526 bales and sales reaching 94.0%.
- Domestic:** The wool market is currently on recess. The market finished the season on a softer note on spill over weakness from the Australian market and concerns over slowing world economy. The Cape Wools Merino indicator fell by 1.7% w/w and closed at R94.11/kg clean wool. This is 4.6% and 8.0% lower compared to the current and the previous season's averages respectively. Nonetheless, this was a phenomenal season with the indicator reaching record levels above R100/kg.



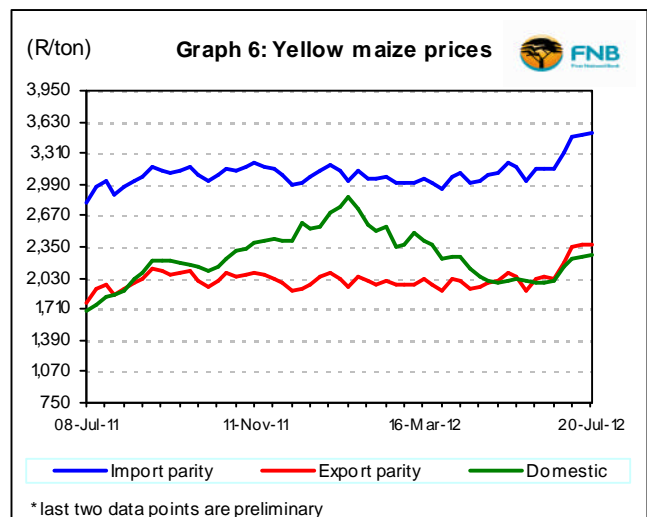
The current season's close was 2.3% higher compared to the opening sale.

Fibre market prices 06 July 2012	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Sep-12 (AU\$/kg)	Australian futures Dec-12 (AU\$/kg)
Wool market indicator (R/kg)	94.11	102.42		
19 μ long length wool (R/kg)	103.07	106.87	11.95	11.60
21 μ long length wool (R/kg)	99.83	102.44	11.75	11.40
23 μ long length wool (R/kg)	100.51	100.98	10.55	10.20
	SA derived Cotton (R/kg)	New York A-Index (US\$/kg)	Cotton Futures Oct-12 (US\$/kg)	Cotton Futures Dec-12 (US\$/kg)
Cotton Prices (R/kg)	15.27	1.84	1.55	1.55

Cotton Futures on ICE; South Africa – closing sale for the 2011/12 season

Yellow maize market (Graph 6)

- International:** US yellow maize prices continued to post sharp gains due to hot and dry conditions in the maize areas. The extremely high temperatures are particularly undesirable as the crop enters the critical stage of pollination, with further potential for yield cuts. The Weekly US crop progress report indicated further crop deterioration with the good to excellent condition dropping from 56.0% in the week earlier to 48.0%. The season started with a higher production outlook due to a record planted area of 39.0m hectares. Nonetheless, prices eased slightly late in the week due to weak export sales, a rallying US dollar and the spill over weakness in commodity markets after a poor US unemployment report. Maize futures on CME: Sep-12 futures rose by 10.6% w/w at \$274/t, Dec-12 was up 9.2% w/w at \$273/t, and Mar-13 was up 8.8% w/w at \$276/t.
- Domestic:** Yellow maize prices extended recent gains on spill over support from the US market. Weekly yellow maize prices closed at R2,231 per ton, up 4.5% on the week and 31.4% y/y. Yellow maize import parity prices again closed higher, mainly on higher international prices. Weekly yellow maize import parity prices increased by 4.7% w/w and 24.3% y/y. Yellow maize futures on the JSE: YMAZ for Sep-12 gained 4.4% w/w (+R92/t), Dec-12 was up 4.4% w/w (+R94/t), and the new crop Jul-13 contract traded up 3.8% w/w (+R78 /t).
- OUTLOOK**
 It is widely expected that the USDA will reduce their yield estimate in the July WASDE given the recent deterioration in crop conditions for the US. This will support the market in the short to medium term.



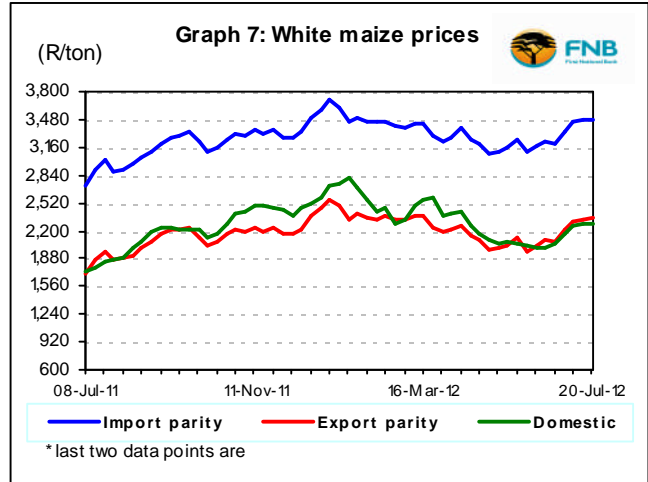
Yellow Maize Futures 06 July 2012	Sep-12	Dec-12	Mar-13	May-13	Jul-13
CBOT (\$/t)	292.82	273.91	273.04	275.80	276.59
JSE (R/t)	2,306	2,364	2,354	2,200	2,180
CHICAGO CORN (R/t)	2,253	2,279	2,324	-	2,368

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

Sep-12			Dec-12			Mar-13		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2,340	106	72	2,400	177	141	2,400	208	162
2,300	85	91	2,360	155	159	2,360	186	180
2,260	66	112	2,320	135	179	2,320	165	199

White maize market trends (Graph 7)

- International:** US white maize prices again traded higher on the back of poor crop weather in the US. Persistent dry and hot weather conditions will reduce yields. Late week weakness in commodities coupled with a stronger US dollar helped limit gains. Weekly average white maize prices closed at \$287 per ton, up 7.5% w/w and 10.9% y/y.
- Domestic:** White maize prices posted modest gains supported by the bullish trend on the international market. Weekly white maize prices were up 4.0% w/w and 30.0% y/y, closing at R2,256 per ton. White maize import parity prices closed higher, up 3.0% w/w and 27.2% y/y. WMAZ export sales for the week ended 29th June 2012 came in a bit higher at 83,055t and 260,301 tons for the new marketing season. Total maize export sales reached 278,467 tons (WMAZ and YMAZ). White maize futures on the JSE: WMAZ for Sep-12 delivery gained 3.0% w/w (+R63/t), Dec-12 was up 3.2% w/w (+R70/t), and Jul-13 was up 4.9% w/w (+ R99/t).



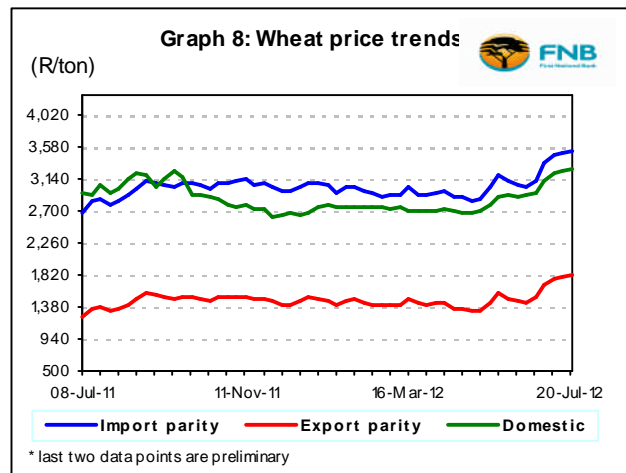
- OUTLOOK**

This will support the market in the short to medium term.

White Maize Futures 06 July 2012	Sep-12	Dec-12	Mar-13	May-13	Jul-13			
JSE (R/t) WM ₁	2,357	2,421	2,418	2,150	2,175			
Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Sep-12			Dec-12			Mar-13		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2,400	124	81	2,460	213	174	2,460	234	192
2,360	101	98	2,420	191	192	2,420	211	209
2,320	82	119	2,380	170	211	2,380	190	228

Wheat market trends (Graph 8)

- International:** Wheat prices extended sharp gains on continued poor growing conditions in parts of Russia and the US with hot and dry conditions in the Great Plains and Midwest. However, crops in Australia are reported to be in good condition on improved moisture levels. Late week pressure from outside markets along with the strength in US Dollar and energy markets saw futures pulling back from earlier highs. Wheat Futures on major exchanges: Kansas futures (KCBT): Sep-12 added 6.9% w/w to close at \$297/t, Dec-12 traded up 6.7% w/w at \$305/t, and Mar-13 was up 6.2% w/w at \$309/t. CME: Wheat for Sep-12 gained 6.5% w/w to close at \$296/t, Dec-12 traded up 5.8% w/w at \$302/t, and Mar-13 was up 5.3% w/w at \$306/t.
- Domestic:** Wheat prices continued to strengthen despite the renewed rally in the Rand/US dollar exchange rate. The main driver was the sharp gains in US wheat market. Wheat prices closed at R3,219 per ton, up 3.4% w/w and 3.0% y/y. Wheat import parity prices increased by 2.9% w/w and 14.7% y/y.



Meanwhile, import sales for the week ended 29th Jun-2012 fell modestly compared to the past few weeks and came in at 7,848 tons.

Cumulative import sales for the 2011/12 marketing season reached 1.166m tons. Wheat futures on the JSE: The Sep-12 contract gained 2.5% w/w (+R79/t), Dec-12 traded up 2.5% w/w (+R79/t), and the Mar-13 contract gained 2.5% w/w (+R79/t).

OUTLOOK

Prices are expected to retain upward momentum in the short term on spill over gains from the international market.

Wheat Futures 06 July 2012	Sep-12	Dec-12	Mar-13	May-13	Jul-13			
KCBT (\$/t)	297.07	305.34	309.47	310.58	308.83			
JSE (R/t)	3,311	3,222	3,228	-	-			
Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Sep-12			Dec-12			Mar-13		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
3,360	155	106	3,260	224	186	3,260	278	246
3,320	133	124	3,220	202	204	3,220	256	264
3,280	113	144	3,180	181	223	3,180	235	283

Oilseed market trends (Graph 9)

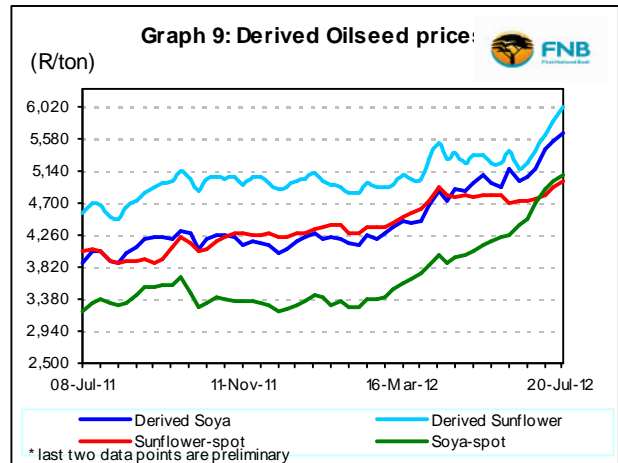
- International:** Soybean and product prices extended gains on continued dry and hot weather conditions in the US. Yields will be hammered should the bad weather conditions persist. Meanwhile, private forecasters continue to revise their estimates of the average US soybean yields with the latest dropping to 42 bushels/acre as compared to the June estimate of 42.7 bushels/acre. In Brazil, supplies are reportedly tight with processors and other users sourcing from neighbouring countries. The country's 2011/12 soybean crop estimate came in unchanged at 66.4m tons.

Futures in the soybean complex: Soybeans for Sep-12 gained 6.0% w/w at \$563/t, and Nov-12 was up 5.0% w/w at \$553/t. Soymeal for Sep-12 traded up 7.0% w/w at \$454/t, and Dec-12 was up 7.0% w/w at \$442/t. Soyoil for Sep-12 was up 4.6% w/w at US53.64c/lb, and the Jan-13 contract was up 4.8% w/w at US54.51c/lb..

- Domestic:** Oilseeds traded on the JSE were again slight to moderately higher on spill over gains from the international market. Weekly soybean prices advanced by 4.2% w/w and 52.5% y/y at R4,903 per ton. Sunflower prices closed up 1.5% w/w and 19.4% y/y at R4,827 per ton. The last estimate report indicated no changes in the sunflower crop (527,110t), while the soybeans estimate was cut by 17,500t to 673,550 tons which set a bullish tone. In the futures market (JSE): Sunflower for Sep-12 advanced by 2.3% w/w (+R110/t), Dec-12 was up 1.6% w/w (+R80/t), and Mar-13 was up 1.8% w/w (+R89/t). Soybeans for Sep-12 gained 6.6% w/w (+R314/t), Dec-12 was up 6.6% w/w (+R315/t), and May-13 was up 5.2% w/w (+R220/t).

- OUTLOOK**

It is expected that prices will retain upward momentum on spill over support from the international market.



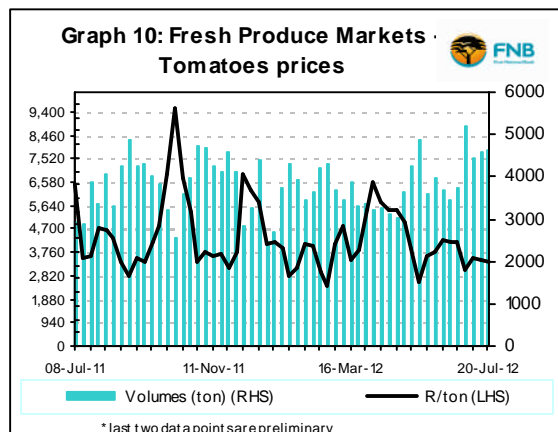
Oilseeds Futures 06 July 2012	Sep-12	Dec-12	Mar-13	May-13	Jul-13
CBOT Soybeans (US \$/t)	562.91	-	533.74	516.84	514.26
CBOT Soya oil (US c/lb)	53.64	54.23	54.73	54.73	54.73
CBOT Soya cake meal (US\$/t)	454.40	441.60	409.10	389.20	386.20
JSE Sunflower seed (R/t)	4,960	5,085	5,100	-	-
JSE Soybean seed (R/t)	5,059	5,090	4,960	4,420	-

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

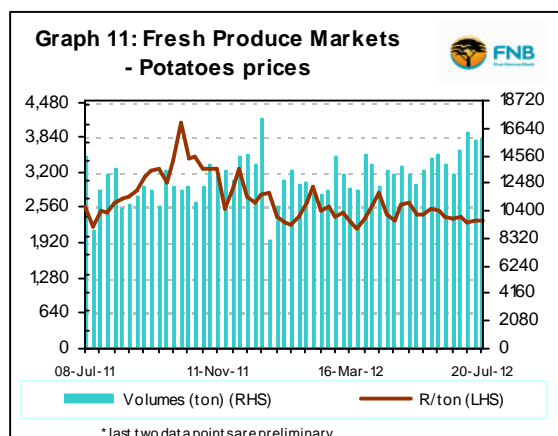
Sep-12			Dec-12			Mar-13		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
5,000	210	170	5,120	352	317	5,140	441	401
4,960	188	188	5,080	330	335	5,100	419	419
4,920	168	208	5,040	309	354	5,060	398	438

Vegetable Market Trends (Graphs 10 to 14)
Tomatoes

Tomato prices closed sharply higher due to reduced volumes across most markets. Prices increased by 15.2% w/w but still 46.0% lower y/y at R3,495 per ton. Volumes traded were down by 14.8% w/w but still up by 51.6% y/y, coming in at 4,440 tons. Prices are however expected trade sideways on moderation in demand.


Potatoes

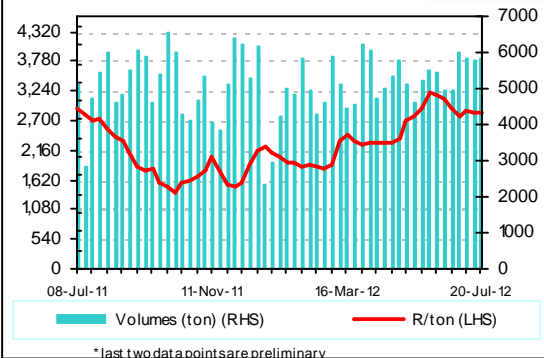
Potato prices posted marginal losses due to increased volumes on markets. Weekly potato prices fell by 3.7% w/w and 11.5% y/y to close the week at R2,296 per ton. Volumes traded jumped 9.4% w/w and 12.8% y/y, coming in at 16,370 tons. Prices are however expected to move sideways with limited upside potential.



Onions

Onion prices increased sharply moderation in volumes on markets. Prices reached R2,898 per ton, up 4.6% w/w but still 0.4% lower y/y. Volumes traded were down 2.9% w/w but still up 13.9% y/y at 5,834 tons. It is expected that prices remain firm in the week ahead.

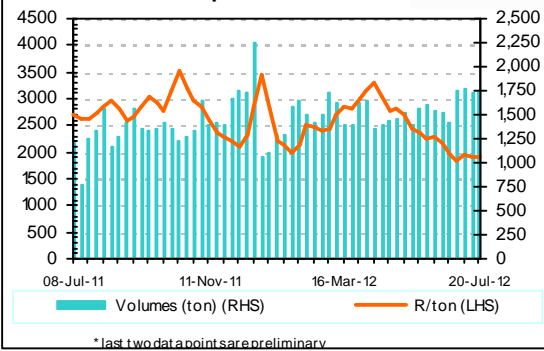
Graph 12: Fresh Produce Markets - Onion prices



Carrots

Carrot prices posted sharp gains due to good uptake on markets. Prices were up 5.6% w/w but down 28.1% y/y, closing the week at R1,948 per ton. Volumes traded reached 1,773 tons, up 1.4% w/w and 45.3% y/y. Prices are expected to trade at current levels in the short term.

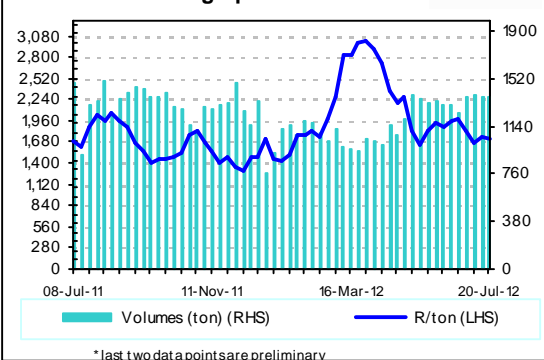
Graph 13: Fresh Produce Markets - Carrot prices



Cabbages

Cabbage prices decreased sharply due to a combination of weak uptake and increased volumes on markets. Prices were down 8.0% w/w and 1.3% y/y, closing the week at R1,672 per ton. Volumes traded reached 1,387 tons, up 1.3% w/w but still 6.9% lower y/y. Prices are expected to soften somewhat in the short term on moderation in demand.

Graph 14: Fresh Produce Markets - Cabbage prices



Vegetable prices: South Africa's Major Fresh Produce Markets.

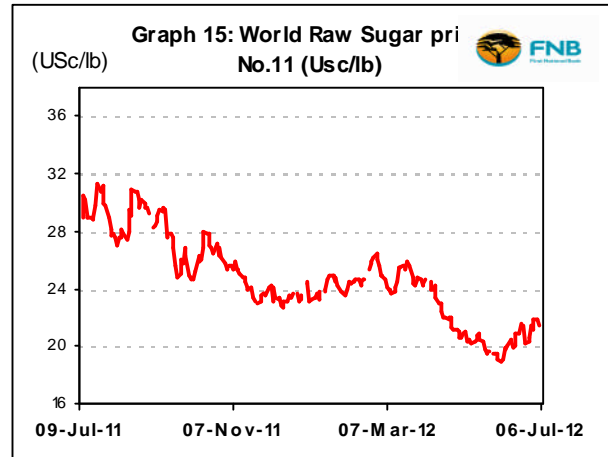
(Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)

Week ending 06 July 2012	Average Price (R/t)	w/w	Y/y	Total Volume (t)	w/w	Y/y
Tomato	3,495	15.2%	-46.0%	4440	-14.8%	51.6%
Potato	2,296	-3.7%	-11.5%	16370	9.4%	12.8%
Onion	2,898	4.6%	-0.4%	5834	-2.9%	13.9%
Carrot	1,948	5.6%	-28.1%	1773	1.4%	45.3%
Cabbage	1,672	-8.0%	-1.3%	1387	1.3%	-6.9%

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

Sugar market trends (Graph 15)

- International:** World raw sugar prices extended gains on harvest and delivery delays in Brazil. The area under sugar production for the first half of June was pegged at 1.37m tons, down 32.0% compared the corresponding period last year. The market focus will also be on India where the monsoon season was off to a slow start. Weekly raw sugar prices continued to post marginal recovery, trading up 3.8% w/w but still down 23.5% y/y at US21.85c/lb. The benchmark Sugar futures on New York's InterContinental Exchange (ICE) (US c/lb) posted modest gains across the board. The Oct-12 Sugar futures gained 6.4% w/w at US21.01c/lb, Mar-13 was up 4.6% w/w at US21.50 c/lb, and Jul-13 up 3.0% w/w at US21.21c/lb.
- Domestic:** The June 2011/12 RV (Recoverable Value) price for cane delivered in May 2012 was declared at R3,139.67 per ton, R12.93/t higher than the previous month. The increase in the RV was due to a weaker weighted average ZAR/US dollar exchange rate (8.34 versus 8.03), the reduced sugar: RV ratio (94.83% vs. 94.88%) and the sharp drop in the average No.11 world market price (22.05 US c/lb versus 22.41 US c/lb).



ICE Sugar Futures 06 July 2012	Mar-13	May-13	Jul-13	Oct-13	Mar-14
Sugar No.11 (US c/lb)	22.62	22.46	22.26	22.17	22.24
% Change w/w	5.2%	5.3%	5.0%	4.2%	4.0%

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