

Agri-Weekly

07 December 2012

pmakube@fnb.co.za
<https://www.fnbagricomms.co.za>

Beef market trends (Graph 1)

International:

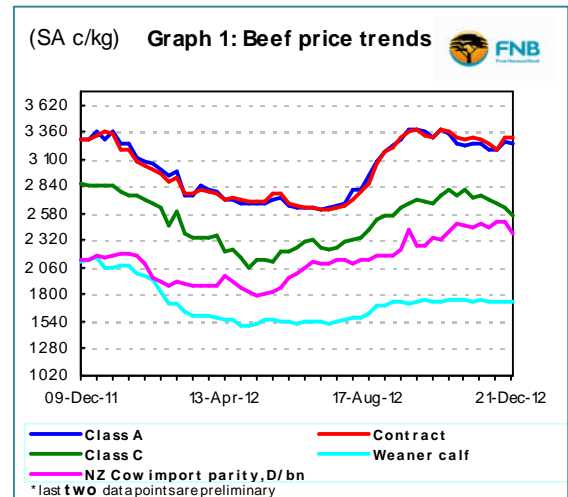
- US domestic manufacturing beef prices retained the firmer trend on improved demand. Market activity on imported beef was reportedly slow with prices mostly steady.
- At wholesale markets, boxed beef cut-out values edged marginally lower on lighter demand. Choice beef fell by 0.6% w/w but still 3.1% higher y/y US\$194.47/cwt. Select beef prices fell by 0.2% w/w but still 1.3% higher at US\$174.41/cwt.
- In the cattle market, the Feeder Cattle Index rose by 0.2% w/w and 1.2% y/y at US\$146.53/cwt. Weekly US cattle slaughter reached 639,000 head, up by 0.6% w/w but 1.1% lower y/y. The cumulative year to date cattle slaughter numbers were estimated at 31m head, down 0.6% compared to the corresponding period last year.
- In Australia, cattle prices regained their ground and trended sideways on reduced volumes on markets. The benchmark Eastern Young Cattle Indicator (EYCI) was steady at AU\$3.31/kg cwt, but still 19.4% lower y/y.

Domestic:

- On the domestic front, there was no fire-works with prices trending sideways across the board.
- Weekly Class A beef prices fell by 0.2% w/w and 2.7% y/y to close at R31.90/kg. Class C beef prices fell by 1.2% w/w and 6.4% y/y to close at R26.72 per kg. Class A contract beef prices fell by 1.5% w/w and 2.9% y/y to close at R31.99 per kg.
- In the weaner calf market, prices steadied at R17.36 per kg live weight but still 18.0% lower y/y.
- Weekly weaner calf prices fell by 0.9% w/w and 17.7% y/y to close at R17.36 per kg live weight.

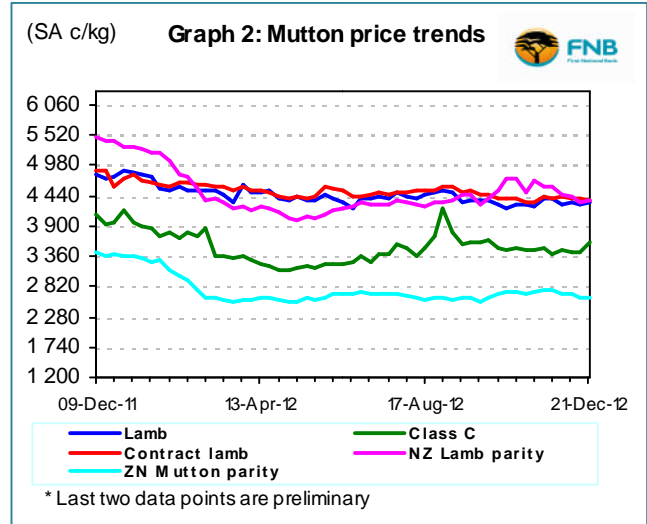
OUTLOOK

Beef prices are expected to retain the current momentum but with slight upside potential in the remaining weeks for active trading ahead of the Christmas recess. The weaner market is expected to trend sideways in the short to medium term due to weak demand.



Mutton market trends (Graph 2)
International:

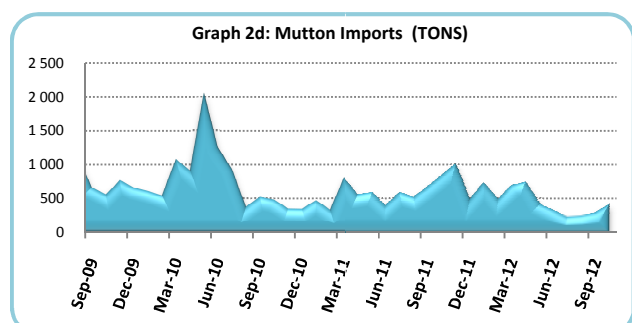
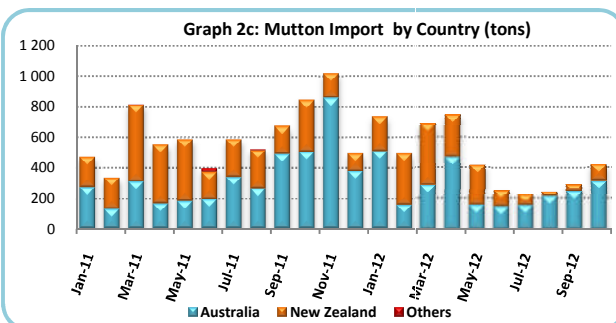
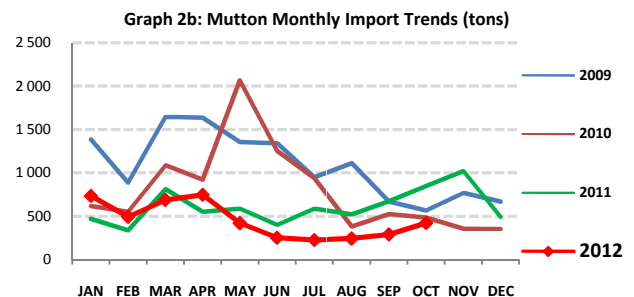
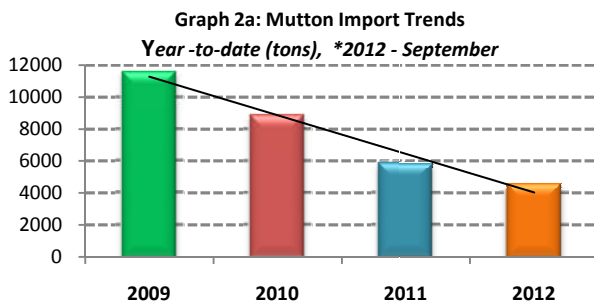
- Australian lamb market extended recent gains on supply tightness and light demand. The Eastern States Trade Lamb Indicator (ESTLI) finished up 1.9% w/w but still 36.1% lower y/y to close at AU\$3.22/kg cwt.
- In New Zealand (NZ), producer prices extended losses with lamb finishing at NZ\$87.80 per head which is down by 2.3% w/w and 34% y/y.
- According to the NZX Agrifax, NZ Lamb processing is now rising sharply as well, and space at meat plants is expected to be tight in the coming weeks as farmers look to get drafts done before the Christmas period.
- Meat companies are reportedly continuing to pull the schedule back every week, which is the typical trend seen at this time of year.
- The US Lamb carcass sales continued to soften with the weekly Lamb Cut-out values closing at US\$266.64/cwt, down 1.2% w/w and 16.7% y/y. Weekly lamb slaughter increased by 10.0% w/w and 12.8% y/y, coming in at 44,000 head. The cumulative number slaughtered for the year to date reached 1.88m head, which is 0.1% lower y/y.


Domestic:

- Prices ended mixed with mutton coming in a bit softer. Weekly mutton prices were down by 0.7% w/w but still 15.8% lower y/y at R34.40 per kg.
- Class A lamb prices were marginally higher by 0.4% w/w but still 10.5% lower y/y at R43.04 per kg.
- Contract Class A lamb prices softened by 0.9% w/w and 9.6% y/y to close at R43.98 per kg.
- Weaner lamb prices moved sideways with softer demand limiting gains. Weekly weaner lamb prices steadied at R20.50 per kg, but still 20.6% lower y/y.

OUTLOOK

Prices are expected to trend sideways with slight upward potential on improved festive demand.



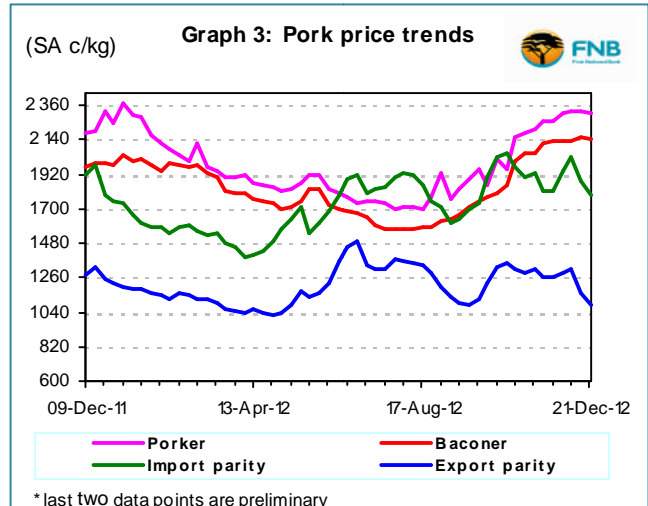
Source: SARS, Own Calculations

Pork market trends (Graph 3)
International:

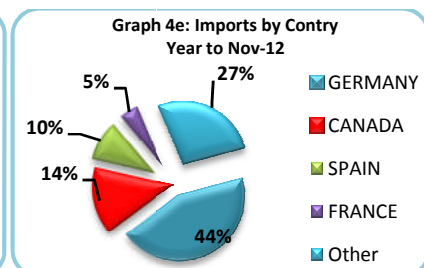
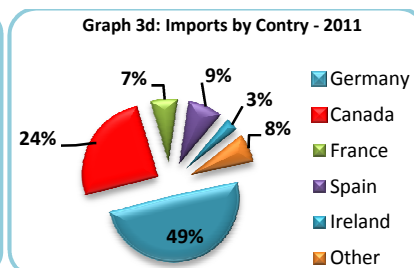
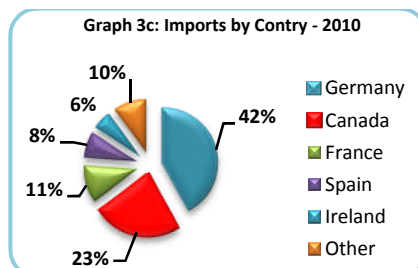
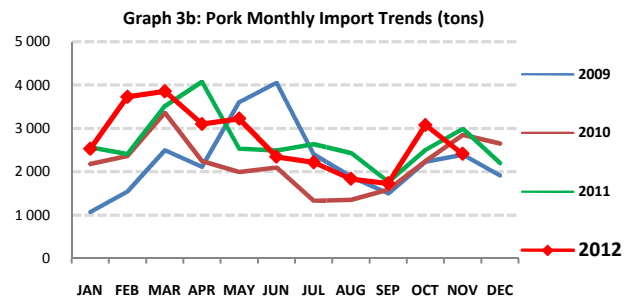
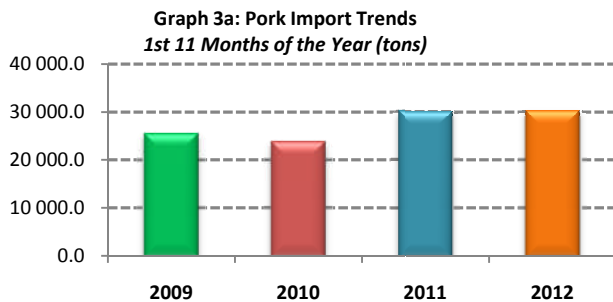
- The US domestic pork prices were up across most categories with the exception of ribs.
- Weekly rib prices fell by 1.6% w/w and 11.6% y/y to close at US\$124.76/cwt.
- Carcass prices extended gains, closing at US\$85.55/cwt which is 1.8% higher w/w but still 4.4% lower y/y.
- Loin prices traded at US\$86.51/cwt, up 0.4% w/w but still 10.1% lower y/y.
- Hams were the big gainers, closing up by 5.5% w/w but still 3.6% lower y/y at US\$75.73/cwt.

Domestic:

- The domestic market retained the firmer trend on the back of tight supplies. Weekly baconer prices moved sideways at R21.34 per kg, which is 8.8% higher y/y.
- Porker prices advanced by 0.6% w/w and 6.3% y/y, closing the week at R23.21 per kg.
- Import parity prices continued to increase mainly due to better international prices. Weekly import parity prices increased by 4.3% w/w and 5.6% y/y.
- Imports for November came in sharply lower by 21.6% m/m at 2,410 tons but still trailed last year's by 19.5%. Cumulative imports for the year to date reached 26,960 tons, which is 0.2% higher y/y. Major suppliers were Germany with 1,062 tons (+44.1%), Canada with 329 tons (+13.7%), Spain with 248 tons (+10.3%), France with 115 tons (+4.8%), and the rest contributing 656 tons (+27.2%).


OUTLOOK

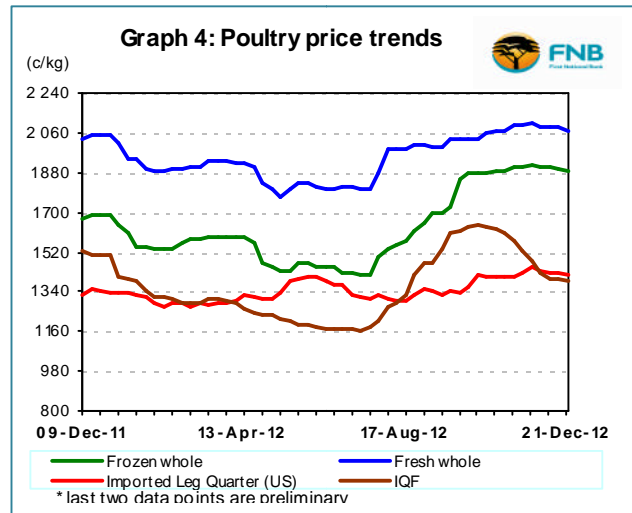
Prices are expected to extend recent gains as the festive season draws nearer.



Source: SAPPO, SARS, Own Calculations

Poultry market trends (Graph 4)
International:

- US domestic prices were mostly lower with the exception of whole birds. Retail and food service demand was reportedly light to moderate ahead of the weekend.
- Weekly whole bird prices extended gains, reaching US97.33c/lb which is up by 0.2% w/w and 8.4% y/y. Breast prices fell by 1.5% w/w but still 18.5% higher y/y US98.33c/lb.
- Leg quarters closed at US53.67c/lb, down by 0.3% w/w but still up by 0.9% y/y. Drumsticks fell by 2.9% w/w and 3.6% y/y to close at US66.33c/lb. Wings steadied at US183.67c/lb, which is 32.5% higher y/y.
- US broiler egg sets and chick placements for the week ended 01 December 2012 were reported up 4.0% y/y. The expected number of broilers available for marketing during the week ending 12 Jan 2013 were estimated at 143.3m head, up by 1.4% w/w but still 2.3% lower y/y.

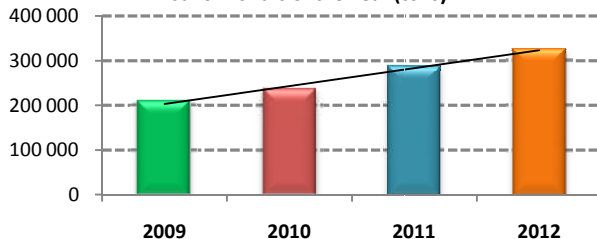

Domestic:

- On the domestic front, broiler prices ended mixed with IQF extending losses under pressure due to higher volumes and increased competition from imported products.
- Weekly frozen whole bird prices closed at R19.04 per kg, unchanged w/w but still 13.8% higher y/y. Fresh whole birds also steadied on last week but were up by 2.8% y/y at R20.90 per kg.
- IQF prices shed 1.5% w/w and 8.0% y/y to close at R14.00 per kg.
- Weekly import parity prices weakened due to the effect of the renewed Rand strength. Weekly import parity prices fell by 0.4% w/w but were still 7.6% higher y/y. Poultry meat imports have risen sharply since July resulting in increased competition. Imports for October came in at 45,562 tons, up by 40.0% m/m and 43% y/y. Broiler meat constituted 90.4% of the imported poultry products. The cumulative imports for the year to date reached 324,296 tons, which is 13.4% higher y/y.
- Meanwhile, feed costs remain high and continue to exert downward pressure on producer margins.

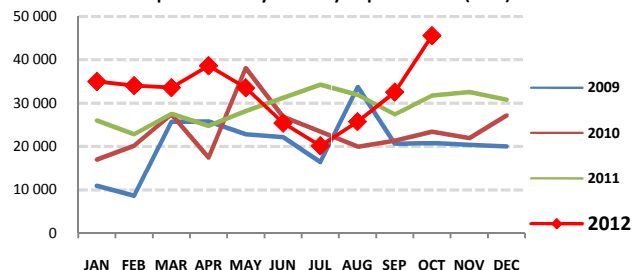
OUTLOOK

Prices are expected to trend sideways in the short term but with downward potential for the IQF category due to volume pressure. However, the market will bottom out in the medium to longer term as supplies tighten up due to production cutbacks.

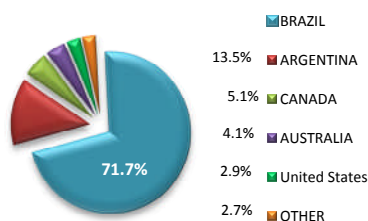
Graph 4a: Poultry Import Trends
1st 10 Months of the Year (tons)



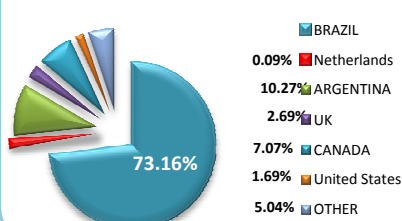
Graph 4b: Poultry Monthly Import Trends (tons)



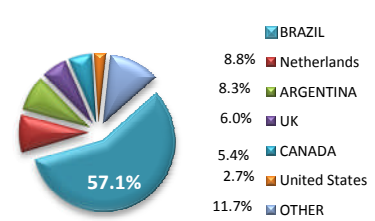
Graph 4c: Imports by Country - 2009



Graph 4d: Imports by Contry - 2010



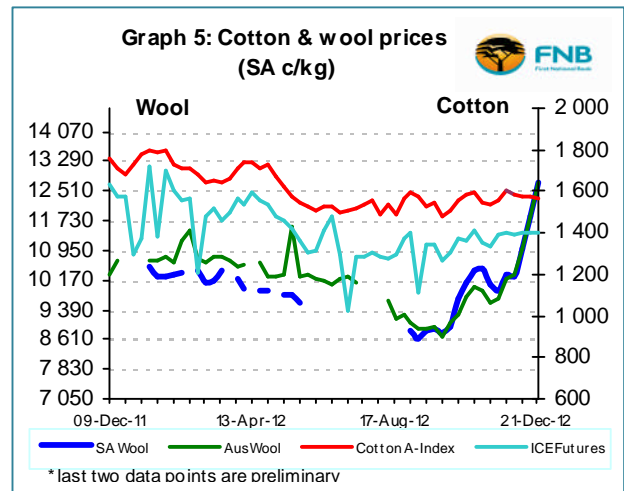
Graph 4e: Imports by Country - 2011



Producer prices for selected livestock commodities 07 December 2012	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	31.90	43.04	23.21	20.90
Open market: Class C / Baconer / Frozen whole birds(R/kg)	26.72	34.40	21.37	19.04
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	31.99	43.98	21.34	14.00
Import parity price (R/kg)	25.02	26.80	20.25	14.28
Weaner Calves / Feeder Lambs (R/kg)	17.36	20.50		

Wool and cotton market trends (Graph 5)
International:

- Cotton prices softened further, however the renewed demand prospects helped limit losses. Weather in the US was reportedly favourable as the harvest process tapers off.
- Meanwhile, the International Cotton Advisory Committee (ICAC) expects the 2013/14 world cotton production to fall by almost 11.0% y/y to 23.2m tons. ICAC sees reduced output for the USA (-26%), Turkey (-30%), China (-11%), Pakistan (-9%), Central Asia (-3%) and West Africa (-10%). World mill use is expected to grow at a snail pace on the back of an expected slow recovery in the world economy.
- Cotton futures on the InterContinental Exchange (ICE): Cotton for Mar-13 fell by 0.2% w/w at US73.79c/lb, May-13 gained 0.3% w/w at US74.70c/lb, and Oct-13 was up 0.3% w/w at US76.69c/lb.
- Wool: In Australia, the wool market posted strong gains with the Eastern Market Indicator closing up by 5.0% w/w but was still down by 7.6% y/y at AU\$10.86 per kg clean wool. Volumes offered were pegged at 45,688 bales with sales of 95.8%.


Domestic:

- The wool market regained ground and posted sharp gains on the back of improved demand and spill over support from the Australian market. The weekly Cape Wools Merino indicator closed at a record R109.91 per kg clean wool, which is up by 7.0% w/w and 12.0% y/y. The market goes into recess having reached the highest level for the season and the new record for domestic market. The current indicator is 14.4% and 25.8% higher than the than the current season's average and the opening sale respectively.
- Major buyers were: G Modiano SA with 4,726 bales (+30.1%), Standard Wool SA with 4,288 bales (+27.3%), Lempriere SA with 3,039 bales (+19.3%), and Stucken & Co with 2,136 bales (+13.6%).
- In the case of cotton, the 2011/12 production was pegged at 64,049 lint bales (Cotton SA) with 60,319 being SA grown seed cotton and the balance of 3,730 lint bales produced in Swaziland. According to Cotton SA, the 2012/13 production could reach 37,000 lint bales.

Fibre market prices 07 December 2012	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Jan-13 (AU\$/kg)	Australian futures Mar-13 (AU\$/kg)
Wool market indicator (R/kg)	109.91	109.78		
19 μ long length wool (R/kg)	119.59	118.68	12.10	12.05
21 μ long length wool (R/kg)	110.20	111.16	10.65	10.60
23 μ long length wool (R/kg)	106.55	106.02	8.50	8.45
	SA derived Cotton (R/kg)	New York A-Index (US\$/kg)	Cotton Futures May-12 (US\$/kg)	Cotton Futures Oct-13 (US\$/kg)
Cotton Prices (R/kg)	15.78	1.79	1.64	1.69

Cotton Futures on ICE;

Yellow maize market (Graph 6)
International:

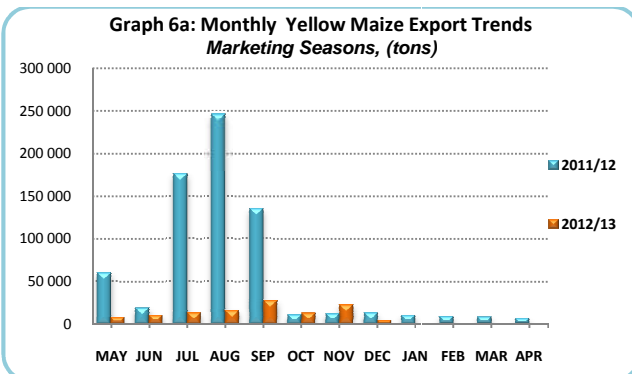
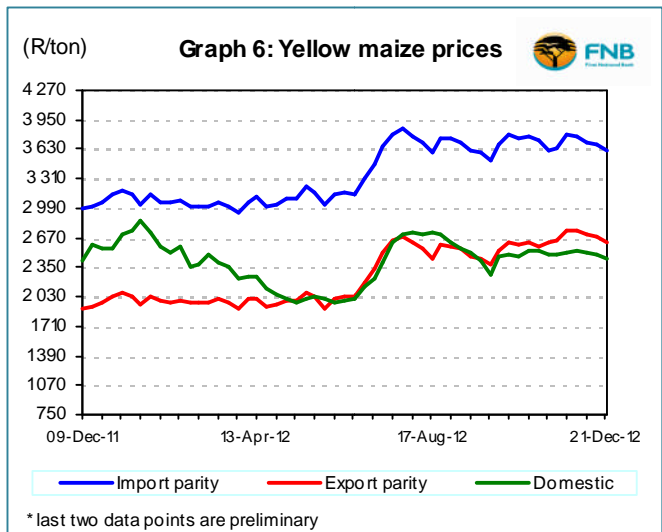
- US yellow market reversed last week's gains on weak export demand. US weekly export sales remained subdued, coming in at 47,400 tons.
- The International Grains Council pegged world production for 2011/12 at 876.0m tons, with ending stocks seen at 134.4m tons. However, the 2012/13 production figure dropped to 830.1m tons with the ending stocks of 115.5m tons.
- It has been a mixed bag on the weather front for South America with better rains reported for northern sections of Brazil, while Southern Brazil should be dry. Planting progress has been hampered by wet conditions in the past few weeks. Further delays could see the planting window closed and focus may shift towards soybeans, which may support a price rally in the maize market.
- In the futures market: Maize futures on CME saw losses across the board, with the Mar-13 contract closing down 2.0% w/w at US\$291/ton, May-13 was down by 1.7% w/w at US\$291/ton, and Jul-13 was down by 1.2% w/w at US\$290/ton.

Domestic:

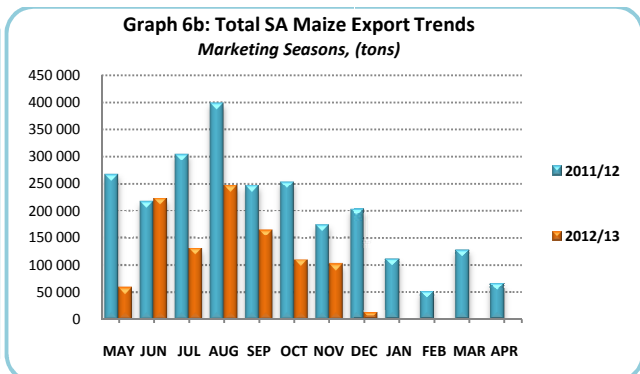
- Yellow maize prices posted slight losses on spill over pressure from the international market and renewed gains in the Rand vs. the US dollar. Weekly yellow maize prices fell by 1.2% w/w but still 3.5% higher y/y at R2,504 per ton.
- Import parity prices fell by 1.7% w/w but up by 24.4% y/y, on lower international prices and a stronger Rand.
- Meanwhile, the final crop estimate indicated a slightly higher crop than previously anticipated. The 2011/12 production was pegged at 11.8m tons, up 2.9% from the last estimate. The yellow maize crop was revised upwards by 2.0% to 5.1m tons.
- Export sales for the week came in at 4,372 tons, bringing the progressive total for the 2012/13 marketing season to 118,058 tons.
- Futures on the JSE: Yellow Maize for Mar-13 delivery fell by 0.9% w/w (-R24/t), May-13 was down 3.7% w/w (-R89/t), Jul-13 was down 3.8% w/w (-R91/t).

OUTLOOK

Maize prices should trend sideways into the New Year as crops enter the critical growth phase and the extent of planted area is known. Weather will be critical for price direction going forward.



Source: SAGIS



Yellow Maize Futures 07 December 2012	Mar-13	May-13	Jul-13	Sep-13	Dec-13
CBOT (\$/t)	290.46	291.24	289.75	259.09	251.21
JSE (R/t)	2 511	2 346	2 298	2 349	2 399
CHICAGO CORN (R/t)	2 596	2 628	2 612	2 355	2 318

Calculated Yellow Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Mar-13			May-13			Jul-13		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2 560	151	102	2 380	160	126	2 340	208	166
2 520	129	120	2 340	138	144	2 300	185	183
2 480	108	139	2 300	118	164	2 260	164	202

White maize market trends (Graph 7)

International:

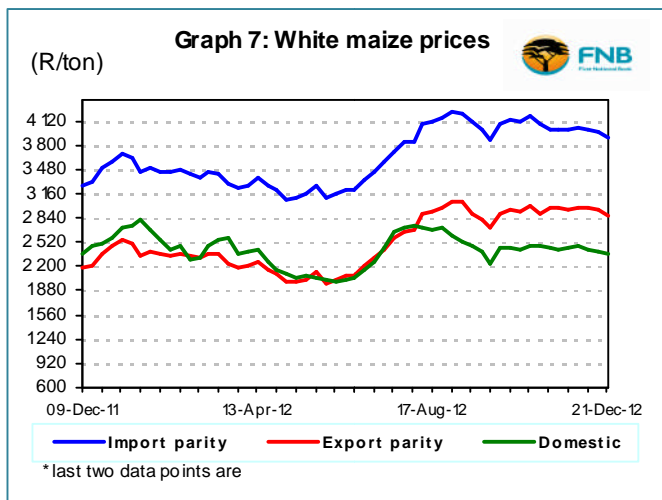
- US White maize prices regained some ground and ended firmer despite weakness in the grain complex.
- The weekly average white maize prices closed at US\$333 per tons, which is up by 0.4% w/w and 22.9% y/y.

Domestic:

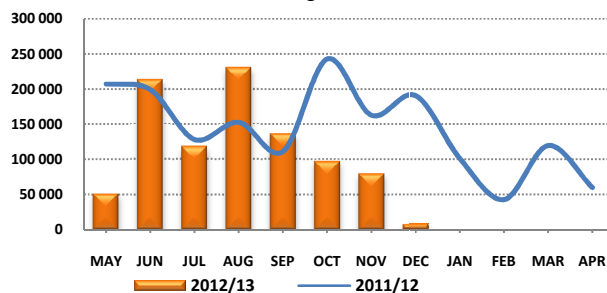
- White maize prices eased slightly lower on weakness on CBOT and the strengthening of the Rand.
- Production conditions have improved somewhat in the growing areas due to recent rains. Weekly white maize prices fell by 1.8% w/w but still 1.6% higher y/y at R2,420 per ton.
- White maize import parity prices ended marginally lower by 0.3% w/w but still 22.3% higher y/y.
- Weekly white maize export sales were pegged at 8,546 tons, with total sales for the season to date reaching 938,930 tons. Cumulative maize export sales for the 2012/13 season remained above the 1m level to 1.06m tons (White and Yellow maize).
- Futures on the JSE: White maize for Mar-13 delivery fell by 0.2% w/w (-R5/t), May-13 was down 3.2% w/w (-R78/t), Jul-13 was down by 5.6% w/w (-R133/t).

OUTLOOK

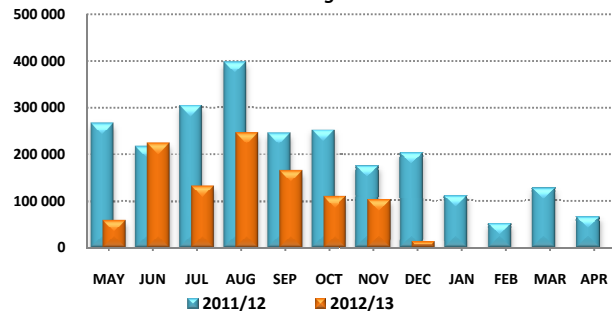
Maize prices should trend sideways into the New Year as crops are in the growth phase and the extent of planted area is known. Weather will be critical for price direction going forward.



Graph 7a: Monthly White Maize Export Trends (tons)
Marketing Seasons



Graph 7b: Total Monthly SA Maize Exports (tons)
Marketing Seasons



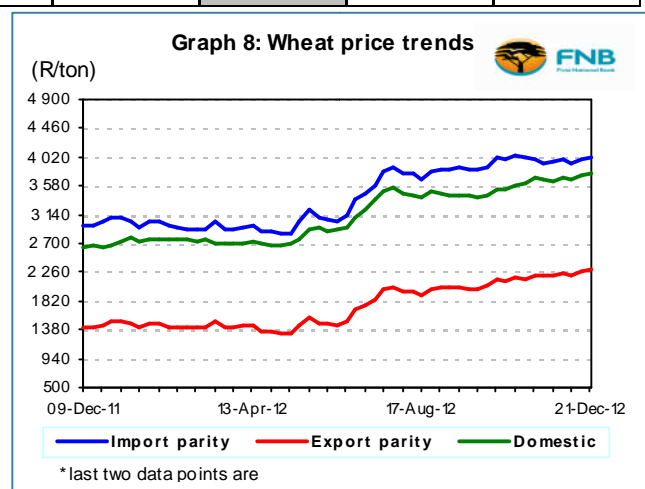
White Maize Futures 07 December 2012	Mar-13	May-13	Jul-13	Sep-13	Dec-13			
JSE (R/t) WM ₁	2 456	2 342	2 252	2 285	2 357			
Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Mar-13			May-13			Jul-13		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2 500	148	104	2 380	176	138	2 300	208	160
2 460	126	122	2 340	154	156	2 260	185	177
2 420	106	142	2 300	134	176	2 220	164	196

Wheat market trends (Graph 8)
International:

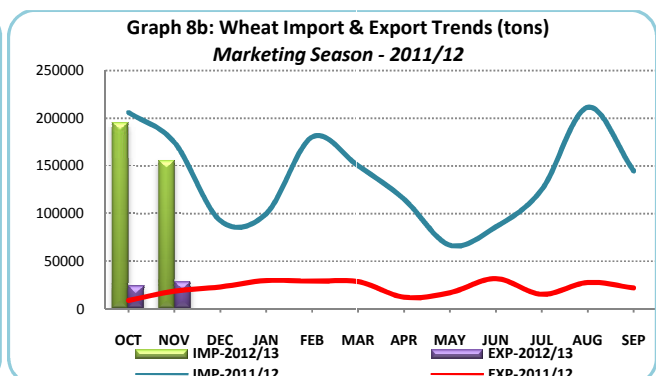
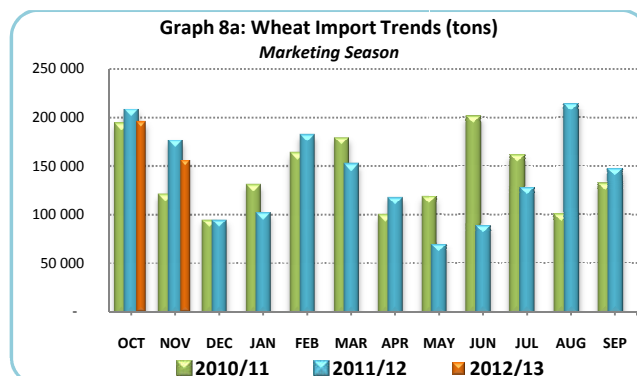
- US Wheat prices trended lower on slow export demand. However concerns over the weather conditions in the Great Plains helped limit losses.
- US wheat export sales came in below expectations at 279,300 tons for the current marketing year.
- According to the US Drought Monitor, dry and extreme drought conditions are beginning to spread to most areas with the exception of Central Kansas. This is expected to reduce area under wheat with projections already indicating hard red winter wheat area to decline by 25% for 2013.

Domestic:

- Wheat prices reversed recent gains and eased lower due to the spill over weakness on international markets. The stronger Rand added to the weaker tone. Weekly wheat prices fell by 0.7% w/w and closed at R3,685 per ton, but still 32.1% higher y/y. Wheat import parity prices weakened due to the effect of Rand gains and lower international prices. Weekly wheat import parity prices fell by 0.7% w/w but still 25.9% y/y.
- The expected wheat harvest came in 1.3% higher than the previous estimate at 1.8m tons. Provincially, about 775,200 tons are expected for the Western Cape is (43%), 370 500 tons for the Free State (21%) and 277,200 tons for the Northern Cape (16%).
- Weekly import sales for the week ended 30 November 2012 were pegged at 51,692 tons, bringing the cumulative total for the new marketing season to 347,971 tons (2012/13).
- Futures on the JSE: Wheat for Mar-13 delivery gained 0.5% w/w (+R20/t), Jul-13 was up 0.3% w/w (+R12/t), Dec-13 fell by 0.8% w/w (-R28/t).


OUTLOOK

It is however expected that prices are expected to continue to trend firmer in the short to medium term as world stocks decline due to production problems in major producing areas.



Wheat Futures 07 December 2012	Mar-13	May-13	Jul-13	Sep-13	Dec-13			
KCBT (\$/t)	334.28	337.86	339.79	341.90	344.20			
JSE (R/t)	3 741	3 802	3 815	-	3 630			
Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Mar-13			May-13			Jul-13		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
3 780	149	110	3 840	230	192	3 860	263	218
3 740	128	129	3 800	208	210	3 820	241	236
3 700	108	149	3 760	188	230	3 780	220	255

Oilseed market trends (Graph 9)

International:

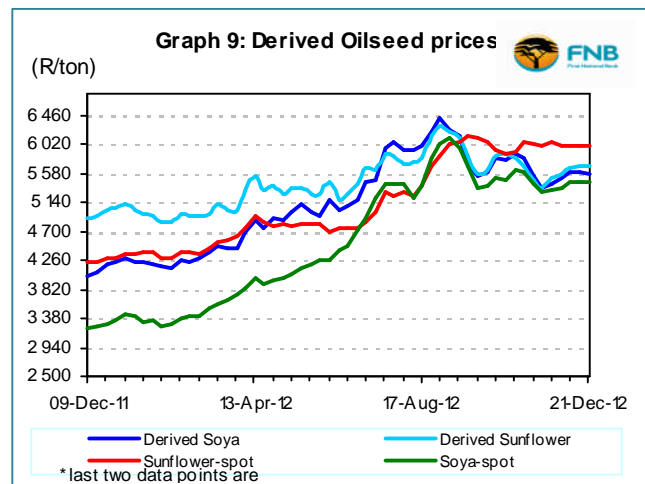
- Prices were up across the soybean complex on improved export demand and weather concerns in South America. Soybeans had strong weekly soybean export sales, coming in above expectations at 1.144m tons for the current marketing year.
- Favourable planting weather is reportedly improving the situation in southern Brazil, while Argentina had slow progress in planting due to rains.
- The IGC expects world soybean ending stocks to recover in 2012/13, led by inventory accumulation in major exporters, but this hinges on forecasts for record crops in South America. The 2012/13 world ending stocks are forecast at 27.6m tons, up 16.9% y/y.
- World soybean imports are set to expand by 5% y/y to 96.8m tons, mainly on larger shipments to China.
- Prices in the soybean complex: Soybeans closed at US\$581 per ton, up by 2.4% w/w and 31.0% y/y. Soymeal advanced by 2.1% w/w and 72.9% y/y at US\$473 per ton. Soyoil finished up 2.3% w/w but still 4.4% lower y/y at US48.25c/lb.

Domestic:

- Oilseeds traded on the JSE were up across the board, finding support from gains on the CBOT. Weekly soybean prices gained 1.7% w/w and 69.5% y/y to close at R5,449 per ton. Sunflower was almost unchanged w/w but still 41.4% higher y/y at R5,994 per ton.
- Meanwhile, final sunflower production was revised downward by 0.97% to 522,000 tons. In the case of soybeans, the final crop was pegged at 650,000 tons (+0.5%).
- In the futures market (JSE): Soybeans for May-13 gained 1.2% w/w (+R60/t), and Jul-13 was up 0.8% w/w (+R40/t). Sunflower for Mar-13 gained 0.4% w/w (+R20/t), and May-13 was up 2.6% w/w (+R130/t).

OUTLOOK

Prices are expected to retain current momentum in the medium term on strong demand.



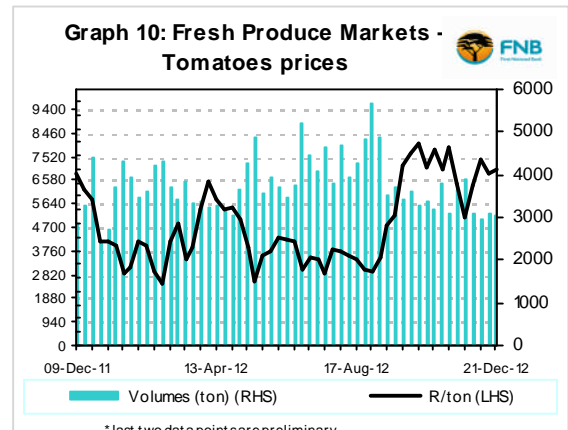
Oilseeds Futures 07 December 2012	Mar-13	May-13	Jul-13	Sep-13	Dec-13
CBOT Soybeans (US \$/t)	508.53	500.52	497.66	477.30	-
CBOT Soya oil (US c/lb)	56.90	57.41	57.83	57.50	56.61
CBOT Soya cake meal (US\$/t)	482.70	469.92	461.98	434.97	411.38
JSE Sunflower seed (R/t)	5 500	5 080	5 120	-	5 030
JSE Soybean seed (R/t)	5 150	4 900	4 954	-	-

Calculated Sunflower Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Mar-13			May-13			Jul-13		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
5 540	304	264	5 120	416	376	5 160	478	438
5 500	282	282	5 080	394	394	5 120	456	456
5 460	262	302	5 040	373	413	5 080	435	475

Vegetable Market Trends (Graphs 10 to 14)
Tomatoes

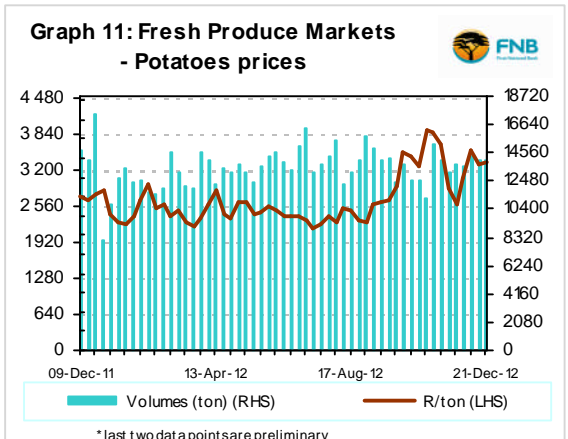
Tomato prices increased sharply due to reduced supplies on markets. Weekly tomato prices increased by 17.6% w/w and 8.3% y/y to close at R7,450 per ton. Volumes traded decreased by 5.1% w/w but were still 3.3% higher y/y at 2,937 tons.

Prices are however expected to soften slightly on increased volumes.


Potatoes

Potato prices posted sharp gains supported by strong uptake across markets. Weekly potato prices increased by 15.6% w/w and 29.0% y/y and closed at R3,537 per ton. Volumes traded were also sharply higher, coming in at 14,336 tons which is up by 5.8% w/w but still 2.6% lower y/y.

It is however expected that prices will ease somewhat in the short term on volume pressure.

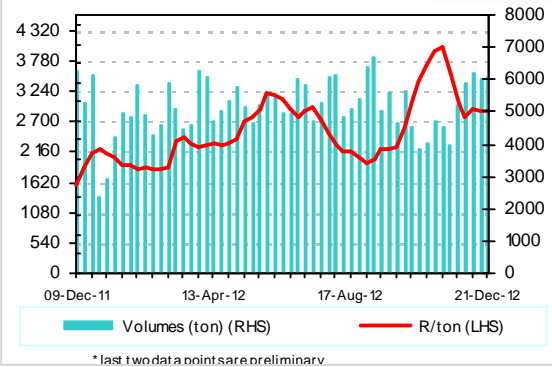


Onions

Onion prices increased sharply on the back of improved uptake on markets. Prices reached R2,929 per ton, which is up by 4.9% w/w and 85.9% y/y. Volumes traded increased by 4.8% w/w but were 0.7% lower y/y at 6,204 tons.

Prices are however expected to trend sideways in the short term with limited upside potential as volumes increase.

Graph 12: Fresh Produce Markets - Onion prices

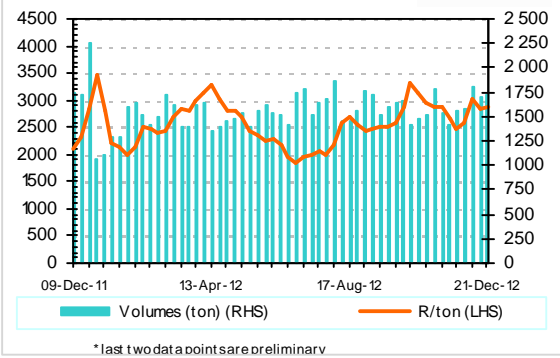


Carrots

Carrot prices finished the week sharply higher buoyed by strong uptake across markets. Weekly carrot prices increased by a whopping 18.6% w/w and were 45.6% higher y/y at R3,042 per ton. Volumes traded came in sharply higher by 13.8% w/w and reached 1,798 tons, which is up on last year by 3.1%.

It is however expected that prices will moderate somewhat in the short term as volumes improve.

Graph 13: Fresh Produce Markets - Carrot prices

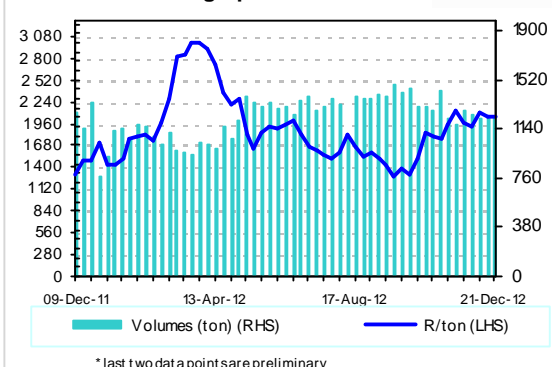


Cabbages

Cabbage prices regained their ground and strengthened due to a combination strong uptake and limited supplies on markets. Weekly cabbage prices rose by 9.5% w/w and 62.2% y/y and closed at R2,108 per ton. Volumes of cabbages traded reached 1,229 tons, which is down by 1.3% w/w and 2.8% y/y.

Prices are expected to move sideways with some upside potential on increased uptake.

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 07 December 2012	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Tomato	7 450	17.6%	8.3%	2937	-5.1%	3.3%
Potato	3 537	15.6%	29.0%	14336	5.8%	-2.6%
Onion	2 929	4.9%	85.9%	6204	4.8%	-0.7%
Carrot	3 042	18.6%	45.6%	1798	13.8%	3.1%
Cabbage	2 108	9.5%	62.2%	1229	-1.3%	-2.8%

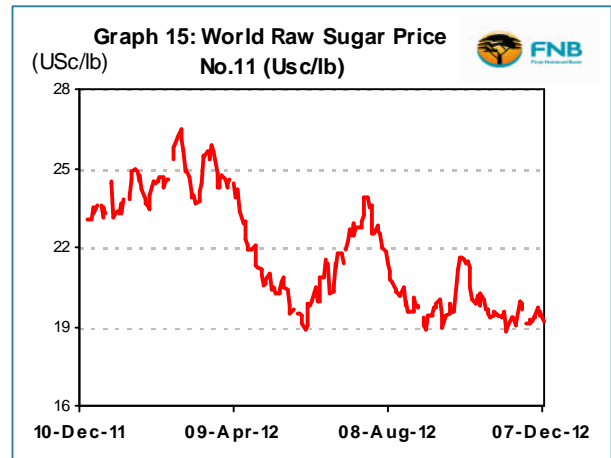
* Daily prices also available at <https://www.fnbagricomms.co.za>

Sugar market trends (Graph 15)
International:

- Sugar prices trended higher on spill over gains from outside markets. However, concerns over demand and volume pressure due to harvesting in Asia coupled with abundant world supplies limited further gains.
- Weekly average sugar prices closed 1.2% higher w/w at US19.47c/lb, but still 18.1% lower y/y.
- In Brazil, overall crop development is reportedly good in the centre-south region.
- The International Sugar Organization earlier raised its forecast for the 2012/13 global surplus to 6.2m tons. Further, the agency indicated that output could reach 200m tons by 2020 if weather and various supporting factors prevail.
- Raw Sugar futures on InterContinental Exchange (ICE): Raw Sugar for May-13 shed 0.2% w/w at US19.35c/lb, Jul-13 gained 0.4% w/w at US 19.48c/lb, and Mar-14 was up 0.5% w/w US20.33c/lb.

Domestic:

- The November 2012 RV price in respect of cane delivered in October 2012 was declared at R3,160.59 per ton, down R11.26 per ton m/m. According to Cane Growers' Association, this was due to the 0.71% drop in the Sugar: RV ratio (94.06% vs. 94.77%) and the lower No.11 world market price (19.24USc/lb.vs.21.26 USc/lb).
- The 62,515 ton drop in sugar production did impact positively on the price but overall the negative input variables prevailed. With the reduction in sugar production the export availability has also decreased and the unpriced 14.5% is essentially made up of the crop buffer and some 23,000 tons that could not be priced because of fears that the crop estimate might fall considerably.
- With respect to the 2012/13 season, 315,589 ton has been made available for marketing and pricing. To date 291,145 tons has been priced at an average of US24.08c/lb. At this point 24,449 tons are unpriced and the crop buffer has shrunk to 18,623 tons with the latest drop in the crop estimate. This means that 43,069 tons of the estimated production in 2012/13 are currently subjected to world market price and R/\$ exchange rate volatility.



ICE Sugar Futures 07 December 2012	May-13	Jul-13	Oct-13	Mar-14	May-14
Sugar No.11 (US c/lb)	19.35	19.48	19.80	20.33	20.23
% Change w/w	-0.2%	0.4%	0.5%	0.5%	0.3%

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