



07 September 2012

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Beef market trends (Graph 1)

International:

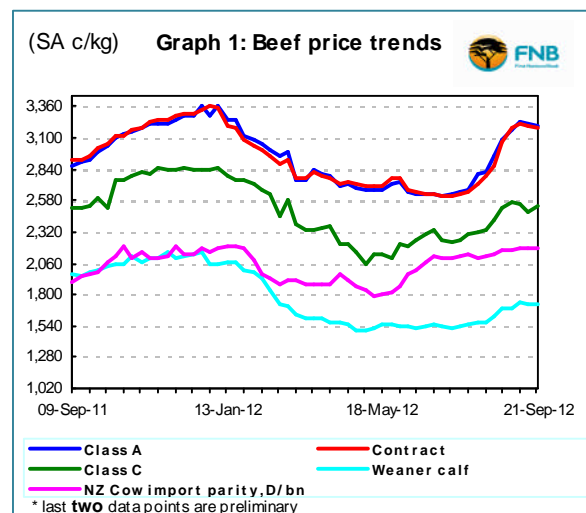
- US domestic manufacturing beef prices ended mostly firm to higher on moderate to good demand. Market activity on imported beef was reportedly light to moderate with prices easing lower despite reduced supplies.
- At wholesale level, US boxed beef cut-out prices eased lower on light demand.
- Choice beef prices were unchanged at US\$190.97/cwt, but 5.9% higher y/y. Select beef gained 0.3% w/w and 6.1% y/y US\$181.52/cwt.
- In the cattle market, the CME Feeder Cattle Index recovered to close up 1.3% w/w and 7.3% y/y at US\$141.80/cwt. The estimated number slaughtered fell sharply by 14.0% w/w and 4.8% y/y at 551,000 head, and year to date at 22.4m.
- In Australia, cattle prices extended recent losses despite reduced supplies. The volume of cattle sales were reported down 10.0% w/w. The benchmark Eastern Young Cattle Indicator (EYCI) fell by 2.1% w/w and 8.7% y/y at AU\$3.68/kg cwt.
- Meanwhile, Australian beef exports to Russia were reported down 49% y/y in August with year to date exports down 34.0% y/y at 25,743 tons. This is reflective of the subdued export market, a stronger currency and stiff competition from the South Americans in the Russian market.

Domestic:

- Beef prices were mostly higher on good uptake and supply tightness. The exception was class C beef, which softened slightly towards midmonth. Weekly Class C beef closed at R25.58/kg, down 0.1% w/w but still 1.9% higher y/y. Class A beef gained 1.7% w/w and 12.6% y/y to close at R32.26/kg. Contract Class A beef increased by 0.9% w/w and 10.2% y/y at R32.11/kg.
- In the weaner market, supplies remained tight which saw prices increasing by 2.6% w/w but still 12.2% lower y/y at R17.34/kg live weight.

OUTLOOK

The first week of spring saw rains across most areas which will kick start the pasture season. As a result, producers may hold back in the short to medium term.

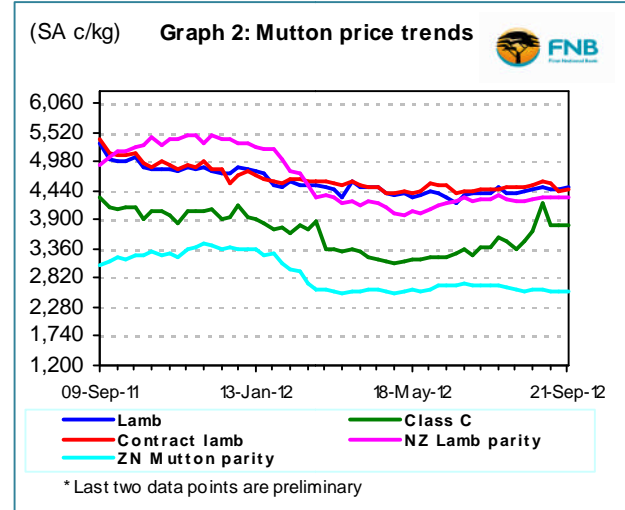


Mutton market trends (Graph 2)
International:

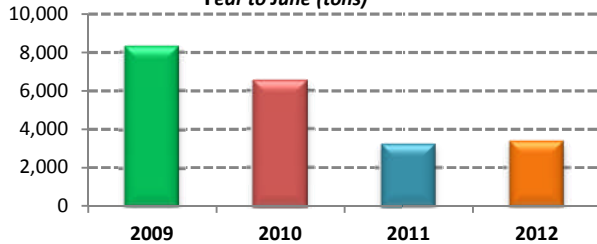
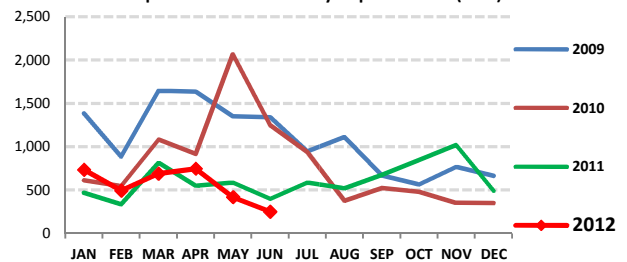
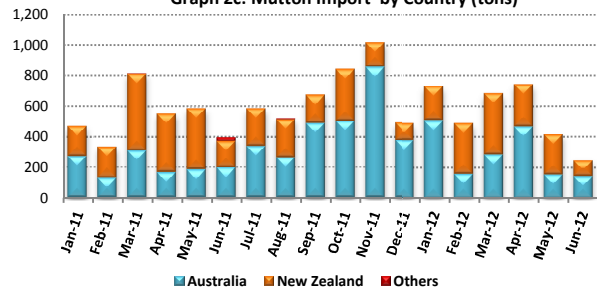
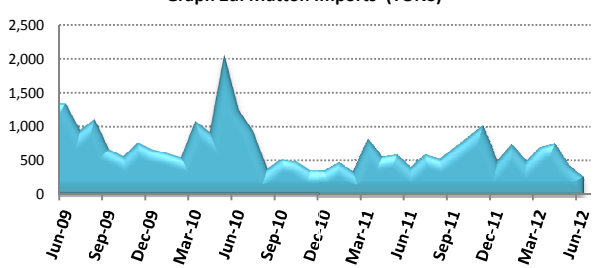
- Australian lamb market retained upward momentum despite increased seasonal supplies (+14.0% w/w). This saw the Eastern States Trade Lamb (ESTLI) indicator falling by 2.7% w/w and 18.5% y/y at AU\$4.27/kg cwt. Australian exporters continue to face very stiff price competition from New Zealand product in several major export markets, partly attributable to a slowdown in the EU market. Nonetheless, Australian exports of sheep meat to the EU rose by 3.0% y/y in August at 1,247 tons. This comprised 315t of mutton and 932 tons of lamb. Year to August exports were up 14.0% y/y.
- In New Zealand, producer prices posted marginal gains across most categories. Producer prices for lamb gained 0.8% w/w to close at NZ\$97.80/kg, but still 24.0% lower y/y.
- US Lamb Carcass Cutout eased marginally lower at US\$282.29/cwt, down 0.5% w/w and 25.2% y/y. Weekly number of sheep slaughtered was pegged at 35,000 head, down 12.5% w/w but still 2.9% y/y. The estimated year to date slaughter was 1.4m, down 1.9% y/y.

Domestic:

- On the local market, the lamb and mutton markets lost ground as demand slipped towards midmonth. Prices were down across most categories with mutton in particular falling sharply by 10.2% w/w 12.5% y/y to close at R37.93/kg. Weekly lamb prices were softer on the week at R44.93/kg, down 0.8% w/w and 15.5% y/y. Contract lamb prices fell by 0.7% w/w and 15.4% y/y at R45.84/kg.
- Weaner lamb prices fell in line with weakness in carcass prices to close at R23.38/kg live weight, which is down 3.1% w/w and 19.9% y/y.

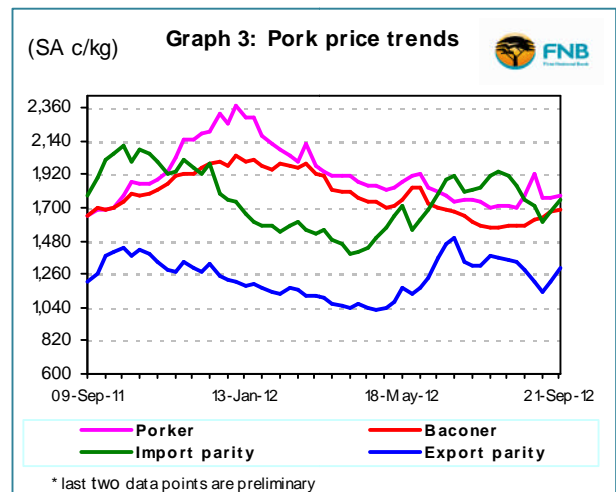

OUTLOOK

It is expected that prices will trade sideways in the short term but with further upward potential in the medium term on seasonal increase in demand.

Graph 2a: Mutton Import Trends
 Year to June (tons)

Graph 2b: Mutton Monthly Import Trends (tons)

Graph 2c: Mutton Import by Country (tons)

Graph 2d: Mutton Imports (TONS)

Pork market trends (Graph 3)

International:

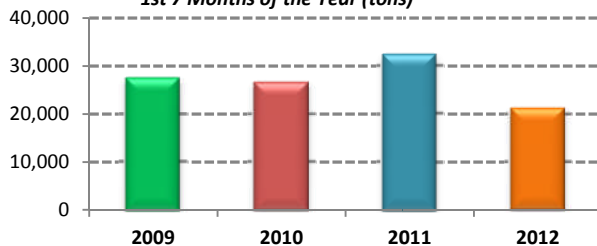
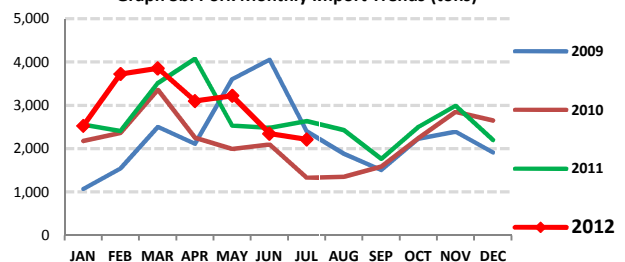
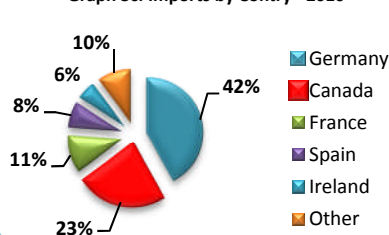
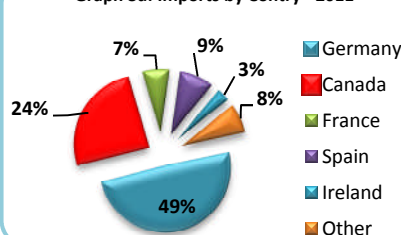
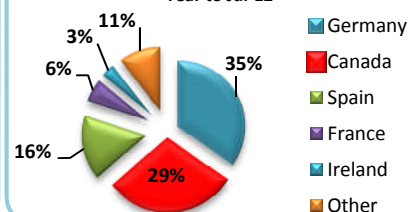
- The US domestic pork market extended losses across all categories on higher volumes, with the slaughter rate up 2.7% y/y. Weekly carcass prices fell by 4.0% w/w and 16.0% y/y to close at US\$79.39/cwt. Loins were sharply lower at US\$87.19/cwt, down 5.5% w/w and 22.9% y/y. Ribs fell by 3.0% w/w and 11.3% y/y at US\$111.82/cwt. Hams closed at US\$60.94/cwt, down 6.3% w/w and 26.8% y/y.
- US pork production in July was reported up 5.0% y/y at 780,180 tons cwt, largely on increased slaughtering. Meanwhile, the US July pork in cold storage was reported up 20.0% y/y to 248,115 tons cwt.


Domestic:

- On the domestic market, prices ended mixed with porkers pulling back from earlier highs. Weekly porker prices finished at R17.63/kg, down 8.6% w/w but still 7.0% higher y/y. Baconers on the hand extended recent gains on good uptake and tight supplies. Weekly baconer prices advanced by 0.9% w/w but still down 1.0% y/y at R16.35/kg.
- Import parity prices remained on an extended downward trend, due to the combined effect of a sharp decline in international prices and a stronger Rand/ US dollar exchange rate. Weekly Import parity prices fell by 5.8% and 9.5% y/y.
- Pork imports dropped for the second consecutive month, down 5.6% m/m and 16.0% y/y at 2,215 tons. Cumulative imports for the year to July 2012 increased to 20,984 tons, up 3.8% compared to the corresponding period last year. Major import sources were Germany with 970 tons (43.8%), Canada with 424 tons (19.2%), France with 263 tons (11.9%), Spain with 222 tons (10.0%), and the rest accounting for 335 tons (15.1%).

OUTLOOK

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

Graph 3a: Pork Import Trends
 1st 7 Months of the Year (tons)

Graph 3b: Pork Monthly Import Trends (tons)

Graph 3c: Imports by Contry - 2010

Graph 3d: Imports by Contry - 2011

Graph 4e: Imports by Contry
 Year to Jul-12


Source: SAPPO, SARS, Own Calculations

Poultry market trends (Graph 4)
International:

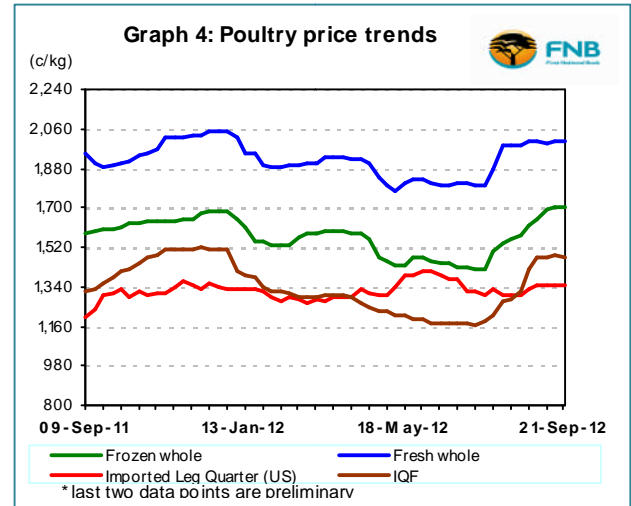
- US domestic prices ended mixed with the majority in parts category easing lower on moderate to heavy supplies on markets. Demand at retail and food service was reportedly light to moderate with slight improvement entering the weekend.
- Whole birds were the exception, holding their ground to close 0.1% higher w/w at US95.50c/lb. Weekly leg quarter prices steadied at US52c/lb, but still 1.6% lower y/y. Breast cuts were down 0.2% w/w but 20.7% higher y/y at US103c/lb. Wings fell by 1.3% w/w to close at US184.67c/lb, but up 106.7% y/y.
- During the week ending 1st of Sep-2012, US broiler egg sets were reported slightly higher while chick placements were down by 1.0% y/y. The number of broilers available for marketing for the week ending 13 Oct-2012 was estimated at 148.5m head, down 0.5% w/w and 3.1% y/y.
- US chicken in cold storage in July was reported down 14.0% y/y to 293,928 tons cwt. The fall in stocks was across all major cuts, including breast and breast meat (down 27%), leg quarters (down 16%) and wings (down 31%), which is reflective of the decline in broiler production in recent months.

Domestic:

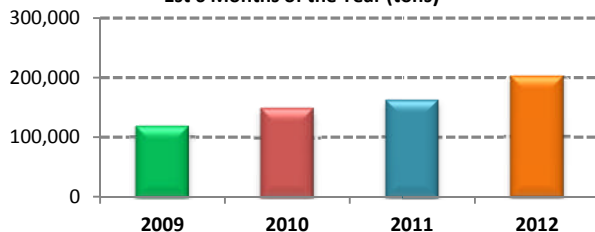
- On the local market, prices remained firmer across most categories with the exception of the fresh whole birds. Fresh whole birds were a bit softer for the week, coming in at R19.96/kg, down 0.5% w/w but still 2.5% y/y. Weekly frozen whole bird prices strengthened on supply tightness, closing at R16.95/kg which is up 2.6% w/w and 6.9% y/y.
- In the case of IQF, prices steadied at R14.74/kg, which is 12.0% higher y/y. Import parity prices reverse course and ended lower mainly on the back of a stronger Rand/ US dollar exchange rate. Weekly import parity prices were down 0.5% w/w but 11.6% higher y/y.

OUTLOOK

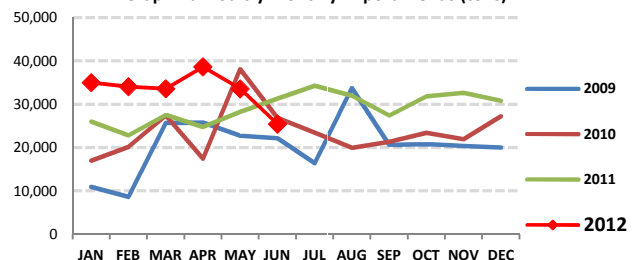
The short to medium term outlook remains bullish, on improved seasonal demand.



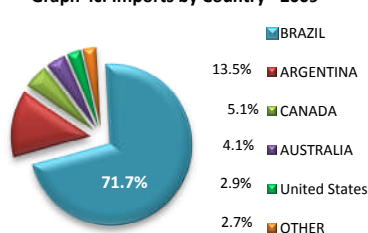
Graph 4a: Poultry Import Trends
1st 6 Months of the Year (tons)



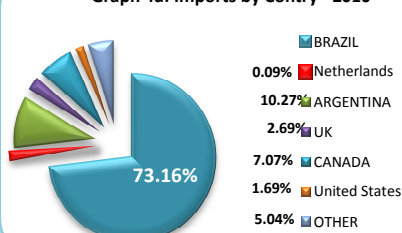
Graph 4b: Poultry Monthly Import Trends (tons)



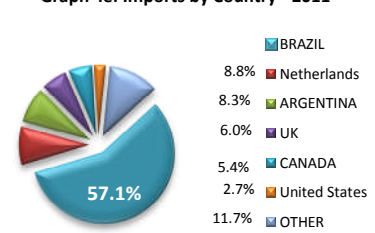
Graph 4c: Imports by Country - 2009



Graph 4d: Imports by Contry - 2010



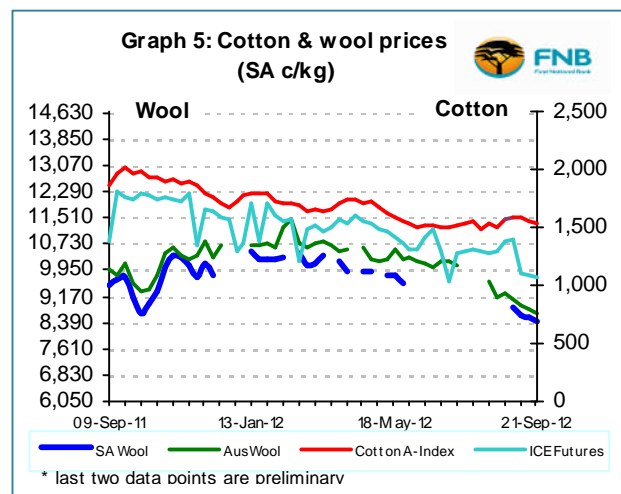
Graph 4e: Imports by Country - 2011



Producer prices for selected livestock commodities 07 September 2012	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	32.26	44.93	17.63	19.96
Open market: Class C / Baconer / Frozen whole birds(R/kg)	25.58	37.93	16.00	16.95
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	32.11	45.84	16.35	14.74
Import parity price (R/kg)	21.82	25.85	16.11	13.43
Weaner Calves / Feeder Lambs (R/kg)	17.34	23.38		

Wool and cotton market trends (Graph 5)
International:

- Cotton prices continued to weaken despite a weaker US dollar, as the medium term supply outlook remains bearish due to abundant world stocks. The cotton A index remained on extended downtrend, closing down 0.1% w/w and 27.3% y/y at US85.92c/lb.
- Cotton futures on the InterContinental Exchange (ICE): Cotton for Dec-12 fell by 1.2% w/w at US76.30c/lb, Mar-13 was down 1.0% w/w at US77.18c/lb, and Jul-14 was almost unchanged at US81.15c/lb.
- Wool: It was another week of declines on the Australian wool market. The Eastern Market Indicator again declined by 0.7% w/w and 28.4% y/y at AU\$9.27/kg clean wool. Volumes offered were pegged at 36,758 bales with sales of 89.6%.


Domestic:

- Sales on the domestic wool market continued on a softer note due to demand concerns as a result of a weakening global economy and in particular the slowdown in the biggest customer, China. The Australian market also declined, adding to the weaker tone. The Cape Wools Merino indicator closed 2.4% lower w/w at R86.26/kg clean wool.
- Sales reached 96.0% of the smaller offering of 5,794 bales. Major buyers were Standard Wool SA with 2,358 bales (40.7%), G Modiano SA with 983 bales (17.0%), Lempriere SA with 868 (15.0%), and Stucken & Co with 779 bales (13.4%).

Fibre market prices 07 September 2012	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Oct-12 (AU\$/kg)	Australian futures Jan-12 (AU\$/kg)
Wool market indicator (R/kg)	86.26	88.87		
19 μ long length wool (R/kg)	93.27	92.98	10.75	10.30
21 μ long length wool (R/kg)	90.02	89.68	10.45	10.00
23 μ long length wool (R/kg)	-	86.68	10.20	9.75
	SA derived Cotton (R/kg)	New York A-Index (US\$/kg)	Cotton Futures Dec-12 (US\$/kg)	Cotton Futures Mar-13 (US\$/kg)
Cotton Prices (R/kg)	15.80	1.89	1.68	1.70

Cotton Futures on ICE;

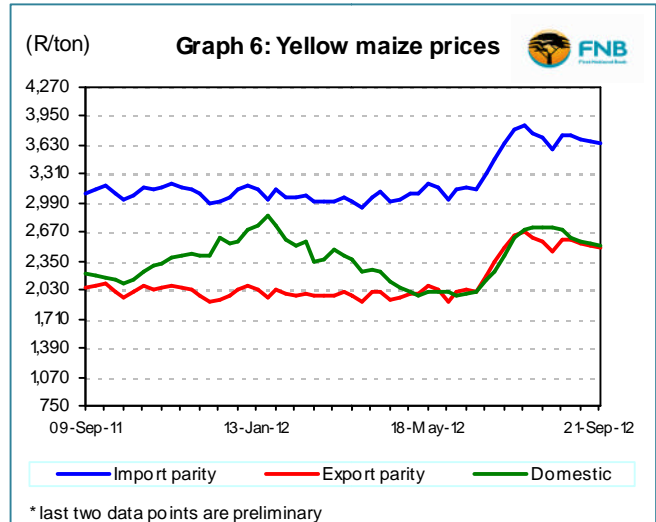
Yellow maize market (Graph 6)

International:

- US yellow maize prices continued to backpedal on harvest pressure and renewed producer selling.
- However, the spill over strength from the wheat market helped limit losses as prices eased off from the recent highs.
- The sharply higher stock market, with gains in crude oil and precious metals were also supportive.
- Maize futures on CME: Dec-12 remained unchanged at US\$315/t, Mar-13 steadied at US\$316/t, May-13 was up 0.5% w/w at US\$315/t, and Jul-13 gained 0.7% w/w at US\$310/t.

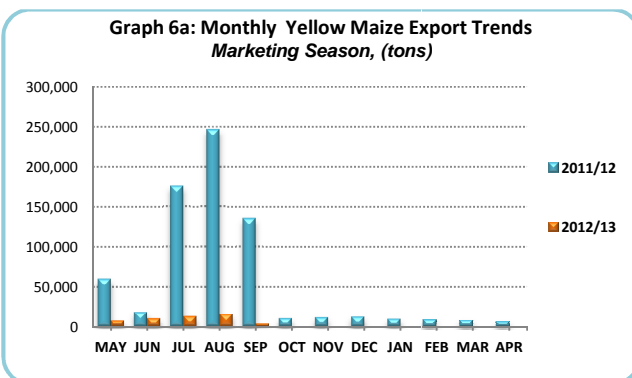
Domestic:

- Yellow maize prices moved slightly lower on spill over pressure from CBOT and renewed advances in the Rand versus the US dollar. Weekly yellow maize prices fell by 2.1% w/w but still 15.8% higher y/y at R2,555 per ton.
- Yellow maize import parity prices eased marginally lower by 0.9% w/w but still 19.3% higher y/y.
- Export sales for the week were pegged at 2,981t and 51,021 tons for the 2012/13 marketing season. Total maize (YMZ and WMZ) sales for the season reached 679,489 tons.
- Yellow maize futures on the JSE: SAFEX: Dec-12 was down 2.3% w/w (-R60/t), Mar-13 fell by 2.4% w/w (-R63/t), and Jul-13 dropped by 1.3% w/w (-R30/t).

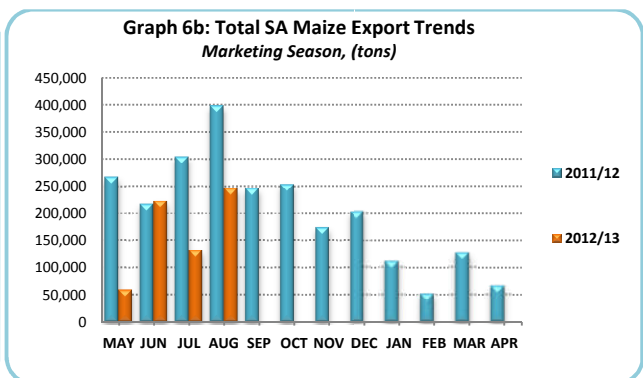


OUTLOOK

Medium to long term price outlook remains bullish given the tightening world supplies following the recent adverse weather conditions across the major producing nations.



Source: SAGIS



Yellow Maize Futures 07 September 2012	Dec-12	Mar-13	May-13	Jul-13	Sep-13
CBOT (\$/t)	314.96	316.15	314.65	309.53	273.20
JSE (R/t)	2,554	2,550	2,325	2,300	-
CHICAGO CORN (R/t)	2,620	2,662	-	2,652	2,365

Calculated Yellow Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Dec-12			Mar-13			Jul-13		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2,600	142	96	2,600	207	157	2,360	210	175
2,560	120	114	2,560	184	174	2,320	188	193
2,520	100	134	2,520	163	193	2,280	167	212

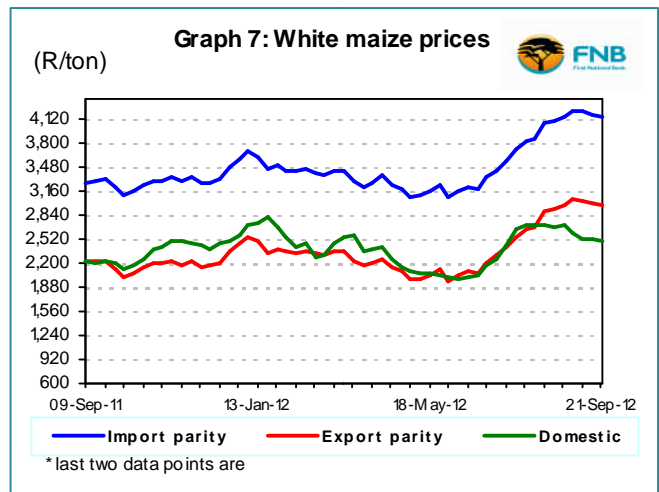
White maize market trends (Graph 7)

International:

- Unlike the yellow maize, US white maize prices extended gains on future supply concerns.
- Weekly average white maize prices advanced by 0.2% on the week and were 16.0% higher y/y, closing at US\$363.27 per ton.

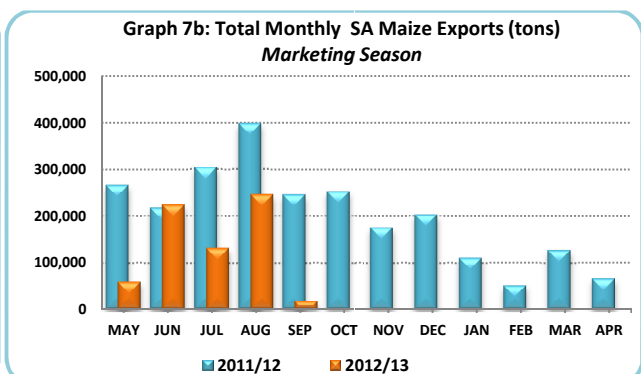
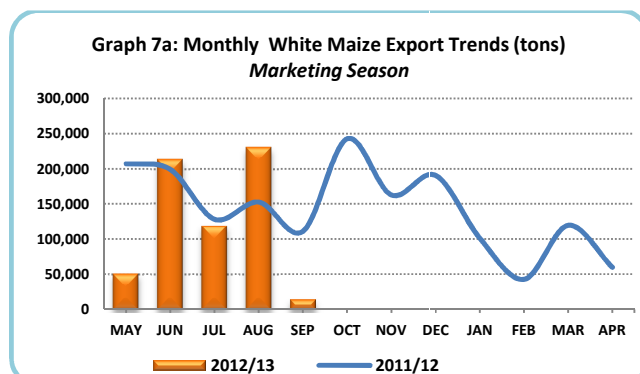
Domestic:

- White maize prices were again lower as the Rand recovered against the US dollar. The improved harvest outlook added to the softer tone. The crop estimate took the market by surprise, with the August report raising the estimate by 3.0% m/m at 11.19m tons. The expected white maize crop is now seen at 6.36m tons, up 169,200 tons from the previous estimate.
- Weekly white maize prices fell by 2.3% compared to last week and closed at R2,539 per ton, which is 14.0% higher y/y.
- Weekly white maize export sales were pegged at 14,258 tons, bringing the total sales for the 2012/13 marketing season to 628,468 tons.
- WMAZ maize futures on the JSE: Dec-12 fell by 2.3% w/w (-R60/t), Mar-13 dropped by 2.4% w/w (-R63/t), and Jul-13 was down 1.2% w/w (-R29/t).



OUTLOOK

Medium to long term price outlook remains bullish given the tightening world supplies following the recent adverse weather conditions across the major producing nations.



White Maize Futures 07 September 2012	Dec-12	Mar-13	May-13	Jul-13	Sep-13			
JSE (R/t) WM ₁	2,553	2,558	2,330	2,306	-			
Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Dec-12			Mar-13			Jul-13		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2,600	145	98	2,600	206	164	2,380	222	172
2,560	123	116	2,560	184	182	2,340	200	190
2,520	103	136	2,520	163	201	2,300	178	208

Wheat market trends (Graph 8)

International:

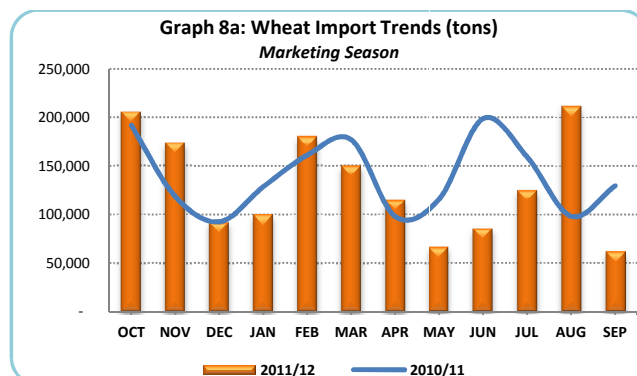
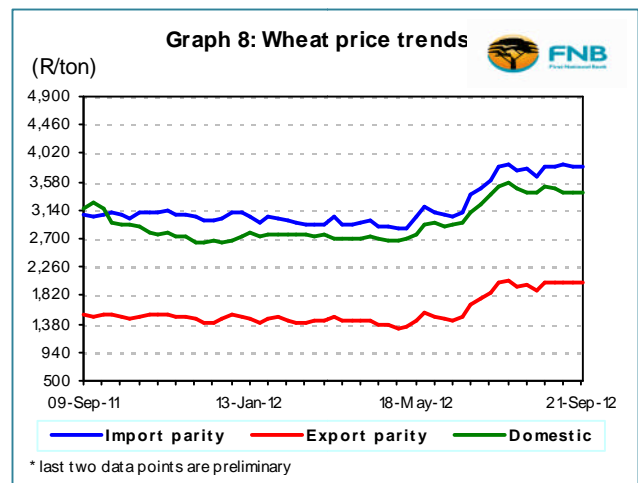
- Wheat prices posted strong gains on the back of improved export demand coupled with a sharply weaker US Dollar. Reports of declining Russian stocks and unfavourable weather in Australia and Argentina added to the firmer tone. In Australia, dry conditions persisted especially in western areas while rainfall in Argentina raised fears of flooding. Russia and Kazakhstan remained dry with little relief in sight. However, eastern Russian areas have been getting some rains in time for planting.
- Wheat Futures on major exchanges: Kansas futures (KCBT): Dec-12 was up 1.9% w/w at US\$339/t, Mar-13 rose by 1.7% w/w at US\$343/t, and May-13 gained 2.2% w/w at US\$342/t.
- CME Futures: Dec-12 was up 1.8% w/w at US\$333/t, Mar-13 gained 1.8% w/w at US\$336/t, and May-13 rose by 2.2% w/w at US\$336/t.

Domestic:

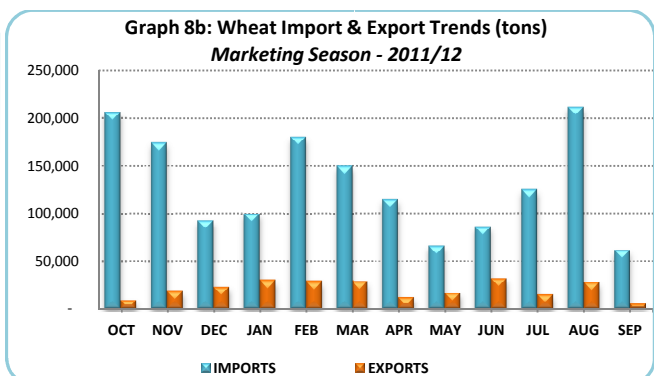
- Wheat prices extended recent losses on Rand gains. Weekly wheat prices fell by 1.6% w/w but still 8.8% higher y/y at R3,420 per ton. Weekly import parity prices closed up 0.3% w/w and 31.1% y/y. Weekly import sales were pegged at 62,182 tons, which brings the total sales for the 2011/12 marketing season to 1.57m tons.
- Wheat futures on the JSE: Wheat for Dec-12 was up 0.6% w/w (R 21), and Mar-13 gained 0.8% w/w (+R28/t).

OUTLOOK

Prices are expected to move sideways but with some upward potential on renewed Rand weakness.



Source: SAGIS; Aug-12 -preliminary



Wheat Futures 07 September 2012	Dec-12	Mar-13	May-13	Jul-13	Sep-13			
KCBT (\$/t)	339.24	343.28	342.18	327.20	326.93			
JSE (R/t)	3,485	3,550	-	-	-			
Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Dec-12			Mar-13			Jul-13		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
3,520	147	112	3,600	257	207	3,620	292	252
3,480	125	130	3,560	235	225	3,580	271	271
3,440	106	151	3,520	214	244	3,540	249	289

Oilseed market trends (Graph 9)

International:

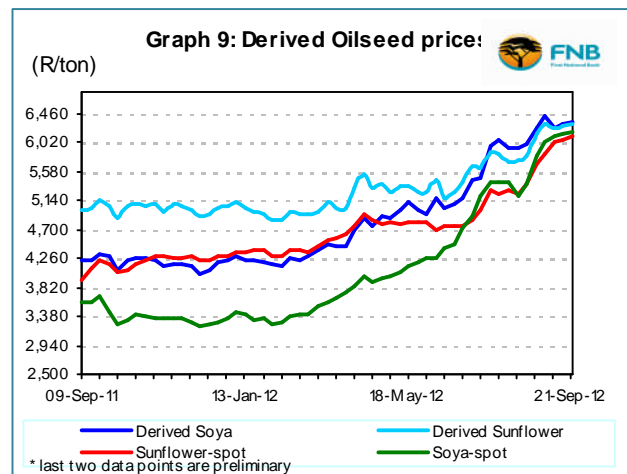
- Prices ended mixed in the soybean complex, with soybean and soymeal prices easing lower on demand concerns. Negative data out of China added to the weaker tone as the country is the one of the biggest consumer.
- However, reduced harvest estimate by a private analytical firm help limit losses, pegging the expected US crop at 71.8m tons compared to 76m previously. Soyoil was the exception posting marginal gains on the back of renewed strength in crude oil prices.
- Futures in the soybean complex: Soybean Nov-12 dropped by 1.1% w/w at US\$638/t, Jan-13 fell by 0.9% w/w at US\$638/t, Mar-13 was down 0.2% w/w at US\$618/t, May-13 gained 0.6% w/w at US\$588/t.
- Soymeal: Dec-12 fell by 1.2% w/w at US\$580/t, Jan-13 dropped 0.8% w/w at US\$576.3/t, Mar-13 was down 0.1% w/w at US\$551.3/t, and May-13 gained 0.9% w/w at US\$512.2/t.
- Soyoil: Dec-12 was down 0.7% w/w at US\$ 56.66c/lb, Jan-13 fell by 0.7% w/w at US\$56.90/t, Mar-13 was down 0.5% w/w at US\$ 57.17c/lb, and May-13 dropped by 0.2% w/w at US\$57.10c/lb.

Domestic:

- Oilseeds traded on the JSE trended higher for the week. Weekly soybean prices closed at R6,098 per ton, up 1.2% w/w and 70.4% y/y. Sunflower traded up 3.0% w/w and 52.8% at R6,014 per ton.
- In the futures market (JSE): Sunflower for Dec-12 fell by 0.5% w/w (-R30/t), Mar-13 was down 1.5% w/w (-R90/t), and May-13 dropped by 1.3% w/w (-R65/t).
- Soybeans: Dec-12 was down 2.0% w/w (-R125/t), May-13 dropped by 3.3% w/w (-R165/t).

OUTLOOK

It is expected that prices will trade at current levels in the short term, but with further upward potential for the medium term on bullish trends on international markets.

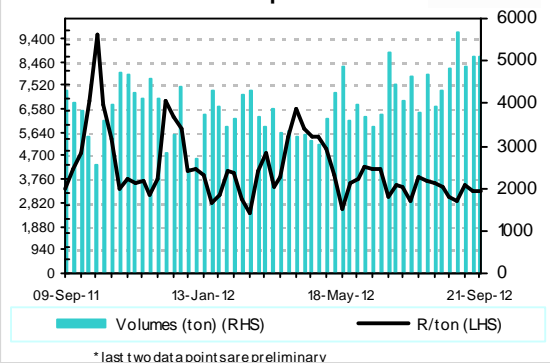


Oilseeds Futures 07 September 2012	Dec-12	Mar-13	May-13	Jul-13	Sep-13
CBOT Soybeans (US \$/t)	-	618.84	584.22	571.88	526.39
CBOT Soya oil (US c/lb)	57.08	57.48	57.24	57.02	55.94
CBOT Soya cake meal (US\$/t)	587.97	551.93	507.50	492.62	446.44
JSE Sunflower seed (R/t)	6,050	6,000	5,145	-	-
JSE Soybean seed (R/t)	6,135	5,700	4,996	-	-

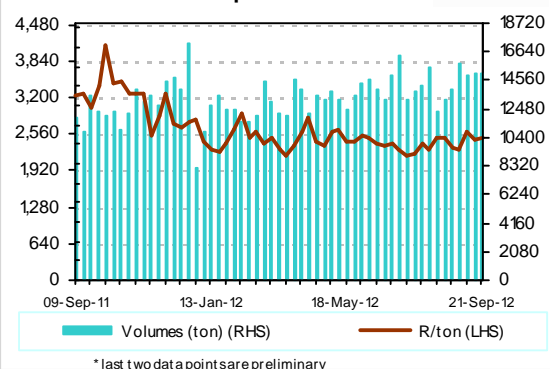
Calculated Sunflower Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Dec-12			Mar-13			Jul-13		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
6,060	308	268	5,960	457	407	5,120	518	478
6,020	287	287	5,920	435	425	5,080	495	495
5,980	266	306	5,880	414	444	5,040	474	514

Vegetable Market Trends (Graphs 10 to 14)
Tomatoes

Weekly tomato prices rose sharply as a result of reduced supplies across most markets. Prices were up by a whopping 20.3% w/w and 3.9% y/y, closing at R3,515 per ton. Volumes traded fell by 13.9% w/w but still 14.0% higher y/y at 4,882 tons. Prices are still expected to remain under pressure in the short to medium term on volume pressure.

Graph 10: Fresh Produce Markets - Tomatoes prices

Potatoes

Potato prices advanced sharply on moderation in supplies across most markets. Weekly potato prices closed at R2,588 per ton, up 13.9% w/w but still 19.6% lower y/y. Volumes traded were down by 5.9% w/w but still 25.5% higher y/y, coming in at 14,899 tons. It is expected that prices will trend sideways to firmer in the medium term as demand improves.

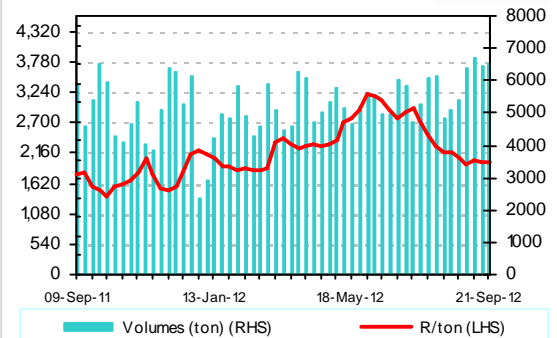
Graph 11: Fresh Produce Markets - Potatoes prices


Onions

Onion prices increased slightly on good uptake despite a modest increase in supplies on markets. Prices reached R2,017 per ton, up 3.2% w/w and 12.7% y/y. Volumes traded were up 5.0% w/w and 13.2% y/y, coming in at 6,686 tons.

Prices are expected to maintain the sideways trend in the short term but with limited upside potential.

Graph 12: Fresh Produce Markets - Onion prices

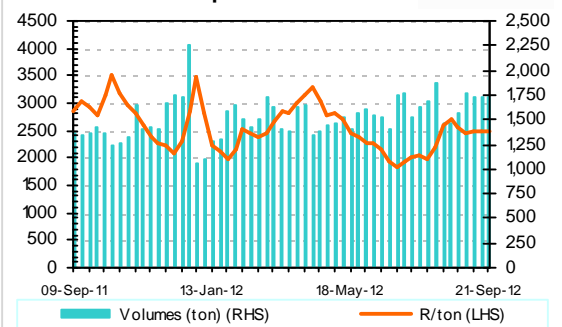


Carrots

Carrot prices increased marginally due to decreased supplies on markets. Prices were up 1.5% w/w but still 12.7% lower y/y closing the week at R2,483 per ton. Volumes traded reached 1,728 tons, down 2.4% w/w but still 27.4% higher y/y.

Prices are however expected to improve somewhat in the short term on increased demand.

Graph 13: Fresh Produce Markets - Carrot prices

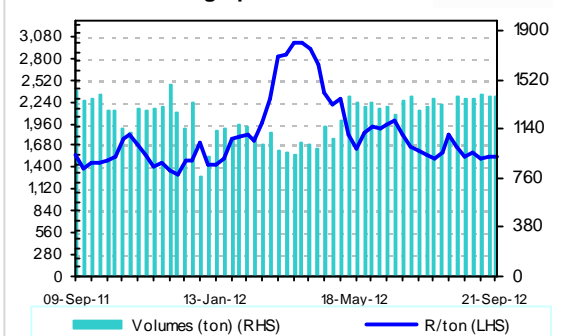


Cabbages

Cabbage prices decreased sharply due to increased supplies on markets. Prices were down 5.6% w/w and 3.8% y/y closing the week at R1,502 per ton. Volumes traded reached 1,405 tons; up 1.6% w/w but still 2.4% lower y/y.

Prices are expected trend sideways on moderation in demand in the short term.

Graph 14: Fresh Produce Markets - Cabbage prices



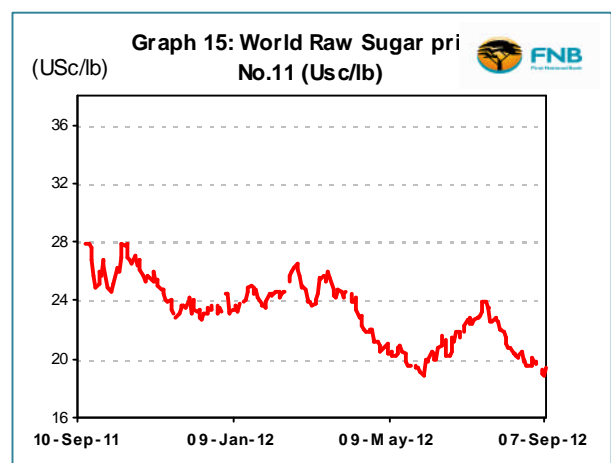
**Vegetable prices: South Africa's Major Fresh Produce Markets.
 (Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)**

Week ending 07 September 2012	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Tomato	3,515	20.3%	3.9%	4882	-13.9%	14.0%
Potato	2,588	13.9%	-19.6%	14899	-5.9%	25.5%
Onion	2,017	3.2%	12.7%	6686	5.0%	13.2%
Carrot	2,483	1.5%	-12.7%	1728	-2.4%	27.4%
Cabbage	1,502	-5.6%	-3.8%	1405	1.6%	-2.4%

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

Sugar market trends (Graph 15)
International:

- World raw sugar prices extended losses due to harvest pressure in Brazil, coupled with demand concern as a result of the slowing global economy. Favourable weather continues to aid Brazilian exports.
- Production conditions in India are reportedly improving with rains arriving in time. India is the second largest producer and had a slow start to the season due to the weak monsoon.
- Meanwhile, the International Sugar Organization projected global sugar surplus in 2012/13 at 5.9m tons with increases from Brazil, China and Australia, but significantly lower output in India, the European Union and Thailand. This is expected to place downward pressure on the market.
- Weekly raw sugar prices slid another 3.3% w/w and 33.5% y/y to close at US19.15c/lb.
- The benchmark Sugar futures on New York's InterContinental Exchange (ICE) (US c/lb) saw futures down across the board: Sugar for Mar-13 fell by 2.9% w/w at US19.91c/lb, May-13 was down 2.7% US19.95c/lb, and Oct-13 was down 2.2% w/w at US20.34c/lb.


Domestic:

- The Aug 2012 RV price in respect of cane delivered in July 2012 was declared at R3,156.99 per ton, down by R11.84 per ton compared to the June price. According to the Cane Growers' Association, the decrease was due mainly to the lower weighted average No.11 world market price (22.95 USc/lb vs. 23.53 USc/lb). The 3,280 ton drop in gross sugar production (2,187m tons vs. 2,190 m tons) and the improved Sugar: RV ratio (94.83% vs. 94.75%) both had positive impacts but these were marginal.
- About 39.3% of the estimated export availability is currently unpriced due to the requirement for the industry to provide for a crop buffer in the event that there is a marked drop in the sugar production estimate before the end of the season.
- With respect to the 2012/13 season, 285,589 ton has been made available for marketing and pricing. To date 280,287 tons has been priced at an average of US24.18c/lb. At this point 5 302 tons are unpriced and 153,595 tons are in the crop buffer. This means that 158,897 tons of the estimated production in 2012/13 are currently subjected to world market price and R/\$ exchange rate volatility.

ICE Sugar Futures 07 September 2012	Mar-13	May-13	Jul-13	Oct-13	Mar-14
Sugar No.11 (US c/lb)	19.91	19.95	20.02	20.34	20.79
% Change w/w	-2.9%	-2.7%	-2.2%	-2.2%	-1.7%

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