



14 September 2012

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Beef market trends (Graph 1)

International:

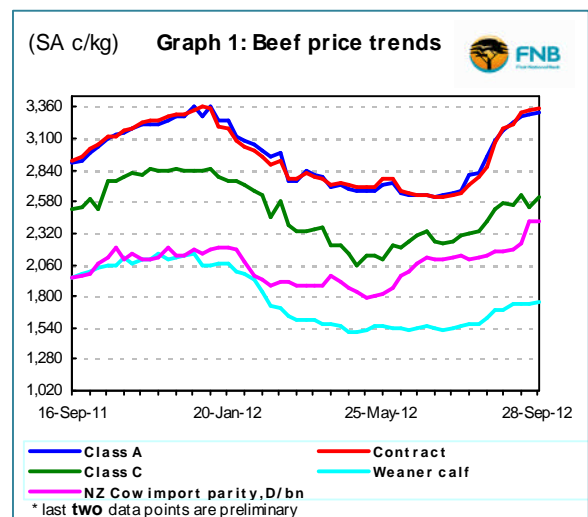
- US domestic manufacturing beef prices were slight to moderately lower due to moderate demand and heavy supplies. Market activity on imported beef was reportedly slow with prices weakening further under pressure due to the softer domestic market and limited demand.
- At wholesale level, US boxed beef cut-out prices were firm on Choice and weak on the Select category on light to moderate demand and offerings. Choice beef prices advanced by 0.3% w/w and 3.9% y/y at US\$191.50/cwt. Select beef was softer at US\$180.04/cwt, down 0.8% w/w but still up 3.8% y/y.
- In the cattle market, the CME Feeder Cattle Index retained the uptrend and closed up 0.9% w/w and 8.0% y/y at US\$143.13/cwt. The estimated number slaughtered came in sharply higher at 647,000 head, up 17.4% w/w but down 1.8% y/y.
- US 2012 beef production was raised by 0.8% m/m to 11.6m tons in the September WASDE report, largely due to higher fed beef and cow slaughter. The 2013 estimate also increased by 0.4% m/m to 11.1m tons, reflective of an expected increase in placements in second-half 2012 resulting in larger fed cattle supplies in the first part of 2013.
- In Australia, cattle prices extended losses due to improved supplies as the dry spell continues. The benchmark Eastern Young Cattle Indicator (EYCI) fell by 2.2% w/w and 10.4% y/y at AU\$3.60/kg cwt.

Domestic:

- Beef prices retained the uptrend on the back of tight supplies on markets. Prices were up across most categories with class C beef rebounding to close up 3.2% w/w and 4.6% y/y at R26.40/kg. Class A beef gained 1.8% w/w and 12.9% y/y, closing the week at R32.83/kg. Contract Class A beef increased by 3.2% w/w and 13.5% y/y, closing the week at R33.15/kg. In the weaner market, prices ended a bit softer at R17.30/kg live weight, down 11.6% y/y.

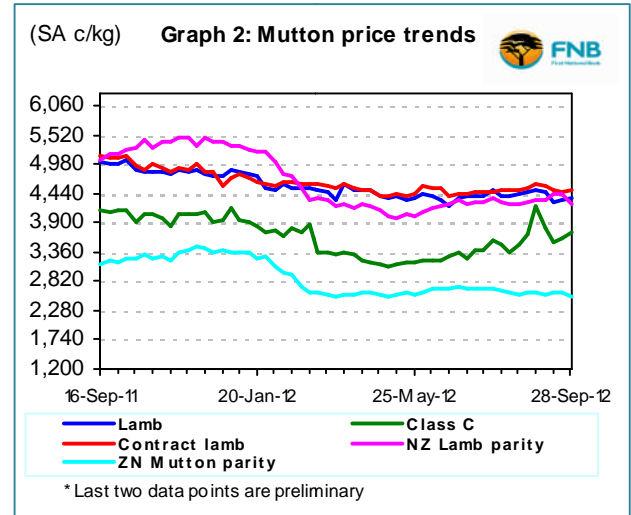
OUTLOOK

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 weakened under pressure due to increased seasonal supplies. The Eastern States Trade Lamb (ESTLI) indicator fell sharply by 5.4% w/w and 26.6% y/y to close at AU\$3.84/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.

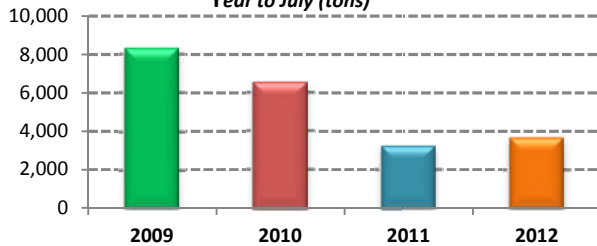

Domestic:

- On the local market, the lamb and mutton markets extended recent losses as demand slipped towards midmonth. Prices were down across most categories with mutton in particular falling sharply by 6.1% w/w and 13.6% y/y to close at R35.62/kg. Weekly lamb prices fell by 4.2% w/w and 14.4% y/y to close at R43.03/kg. Contract lamb prices fell by 1.8% w/w and 12.6% y/y at R45.02/kg.
- Weaner lamb prices fell in line with weakness in carcass prices to close at R23.18/kg live weight, down 0.9% w/w and 19.6% y/y.

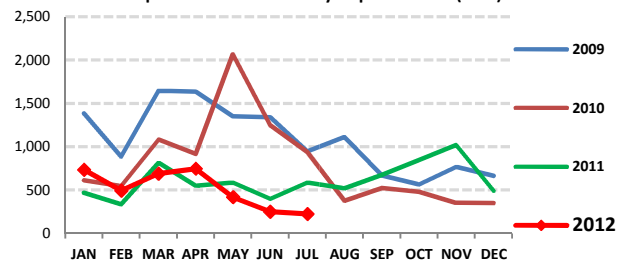
OUTLOOK

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.

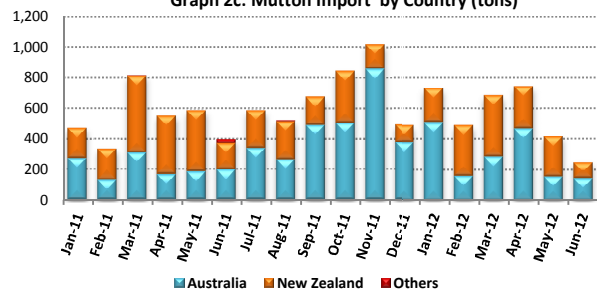
Graph 2a: Mutton Import Trends
Year to July (tons)



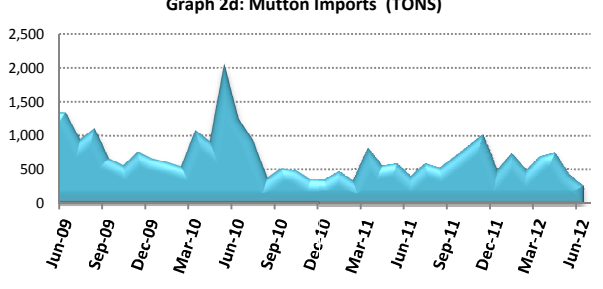
Graph 2b: Mutton Monthly Import Trends (tons)



Graph 2c: Mutton Import by Country (tons)

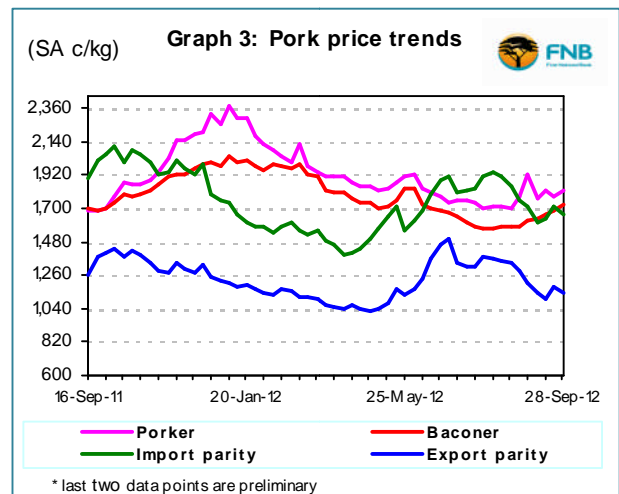


Graph 2d: Mutton Imports (TONS)


Pork market trends (Graph 3)

International:

- The US domestic pork market ended mixed with increased slaughtering exerting downward pressure on the market. Nonetheless, the improved export business helped limit losses.
- Weekly carcass fell by 1.7% w/w and 17.9% y/y to close at US\$78.05/cwt. Loins fell by 1.3% w/w and 23.2% y/y, closing at US\$86.07/cwt.
- Rib and ham prices were the exception, closing modestly higher for the week. Weekly rib prices advanced by 4.0% w/w but still 9.9% lower y/y at US\$116.24/cwt. Ham prices traded at US\$62.92/cwt, up 3.2% w/w but still 27.1% lower y/y.
- US pork production estimate for 2012 was reduced by 0.1% m/m and 2.0% y/y at 10.4m tons, due to a slightly slower expected pace of slaughter in the third quarter and slightly lower carcass weights in the second half of the year. The Pork production for 2013 was lowered on reduced carcass weights, down 0.2% from the August estimate at 10.3m.

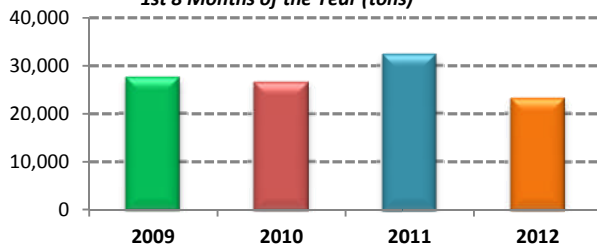

Domestic:

- On the domestic market, prices posted slight to modest gains on the back of tight supplies. Weekly porker prices traded at R18.20/kg, up 3.2% w/w and 7.8% y/y. Baconers gained 1.6% w/w but still 2.0% lower y/y at R16.62/kg.
- Import parity prices rebounded mainly on the back of higher international prices. Weekly import parity prices rose by 1.1% w/w but still 14.0% lower y/y.
- Pork imports for August fell sharply by 17.1% m/m and 24.4% y/y, coming in at 1,836 tons. The cumulative year-to-date imports were however slightly ahead of last year by 0.8% at 22,820 tons. Major suppliers were Germany with 901t (49.1%), Canada with 404t (22.0%), Spain with 221t (12.0%), France with 170t (9.2%), and others contributing 140t (7.6%).

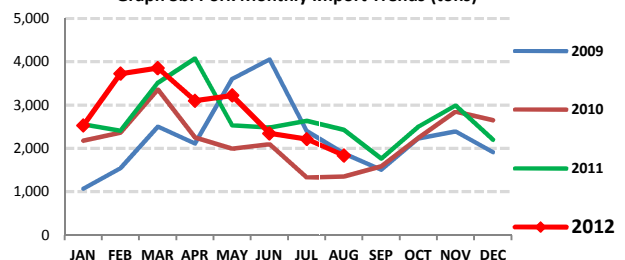
OUTLOOK

Prices are expected to trade firmer in the short term with some upward potential in the medium term on moderation in supplies.

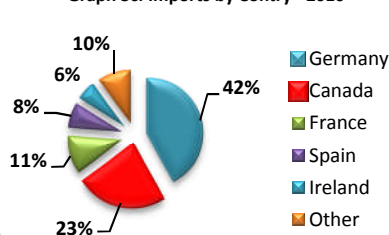
Graph 3a: Pork Import Trends
1st 8 Months of the Year (tons)



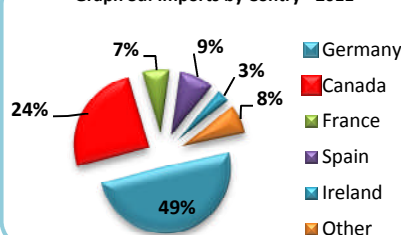
Graph 3b: Pork Monthly Import Trends (tons)



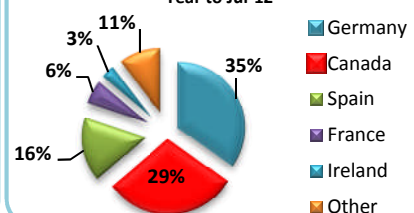
Graph 3c: Imports by Contry - 2010



Graph 3d: Imports by Contry - 2011

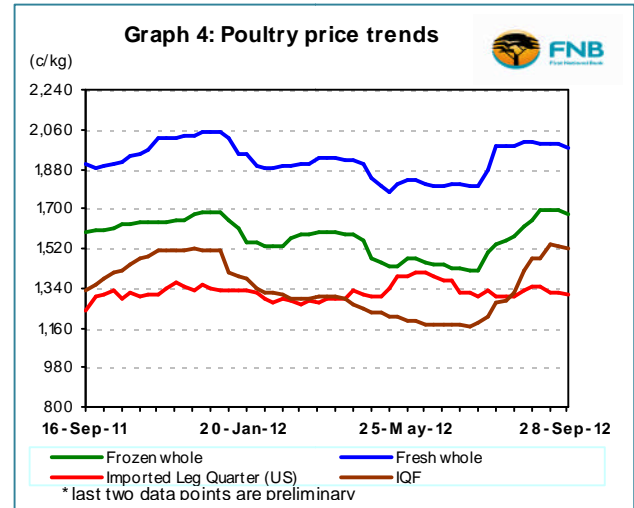


Graph 4e: Imports by Contry
Year to Jul-12



Poultry market trends (Graph 4)
International:

- US domestic prices moved sideways to lower for the week. Whole birds were firmer at US95.58c/lb, up 0.1% w/w and 7.4% y/y. Breast cuts closed at US103.17c/lb, up 0.2% w/w and 20.4% y/y. Weekly leg quarter prices fell by 0.6% w/w and 2.2% at US51.83c/lb. Wings fell by 0.8% w/w but still 95.6% higher y/y at US183.17c/lb.
- During the week ending 8th of Sep-2012, US broiler egg sets were reported up 1.0% y/y while chick placements came in slightly lower compared to a year ago. The number of broilers available for marketing for the week ending 20 Oct-2012 was estimated at 147.1m head, down 0.9% w/w and 4.0% y/y.
- Broiler production is reduced in both 2012 and 2013 as producer returns are expected to be pressured by higher soybean meal and maize prices. The 2012 broiler production came in at 16.6m tons, down 0.5% from the August estimate and 0.7% lower y/y. The 2013 estimate was lowered to 16.4m tons, down 0.4% m/m.

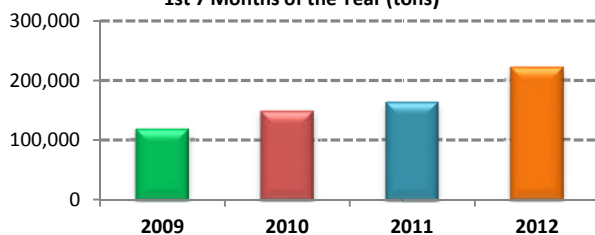

Domestic:

- On the local market, prices remained firmer across most categories with the exception of the IQF. IQF extended recent gains on the back of tight supplies. Weekly IQF prices advanced by 4.1% w/w and 15.6% y/y, closing at R15.34/kg. Fresh whole birds steadied at R19.96/kg, but still 4.7% higher y/y. Weekly frozen whole bird prices firmed at R16.95/kg, up 6.4% y/y.
- Import parity prices continued to decline due to the combined effect of a stronger Rand/ US dollar exchange rate and lower international prices. Weekly import parity prices were down 1.6% w/w but 7.2% higher y/y.

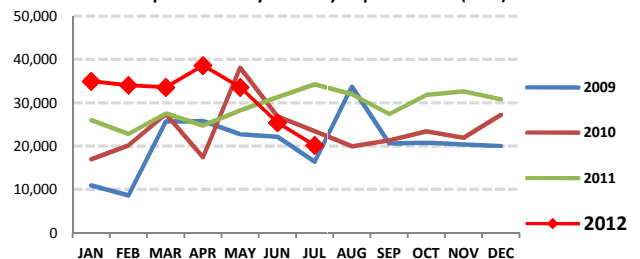
OUTLOOK

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

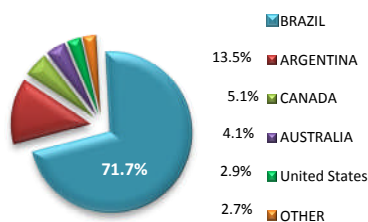
Graph 4a: Poultry Import Trends
1st 7 Months of the Year (tons)



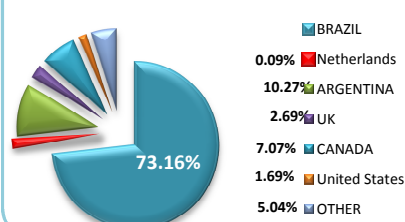
Graph 4b: Poultry Monthly Import Trends (tons)



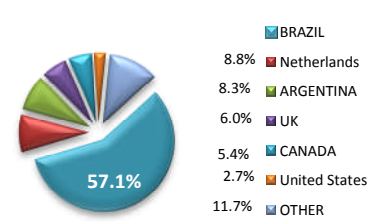
Graph 4c: Imports by Country - 2009



Graph 4d: Imports by Contry - 2010



Graph 4e: Imports by Country - 2011

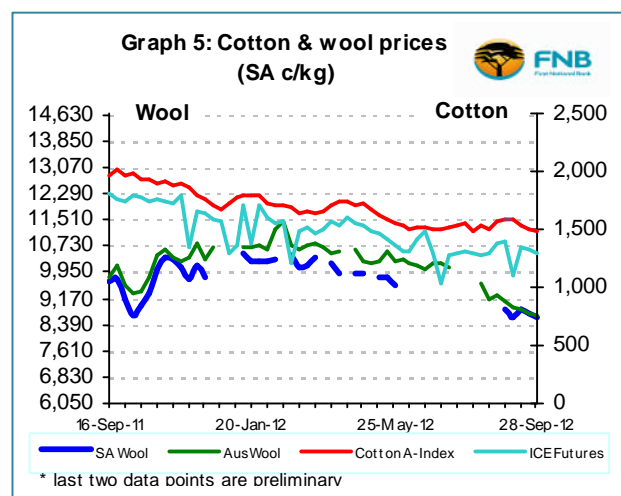


Source: SARS, Own Calculations

Producer prices for selected livestock commodities 14 September 2012	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	32.83	43.03	18.20	19.96
Open market: Class C / Baconer / Frozen whole birds(R/kg)	26.40	35.62	17.30	16.95
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	33.15	45.02	16.62	15.34
Import parity price (R/kg)	22.38	26.24	16.30	13.23
Weaner Calves / Feeder Lambs (R/kg)	17.30	23.18		

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 1.9% w/w and 30.6% y/y at US84.27c/lb.
- The September USDA report showed loosening supply conditions with world ending stocks rising by 0.4mt m/m to 16.7m tons and the highest stocks to use ratio of 71.1%.
- The world 2012/13 production estimate was unchanged from the previous estimate at 24.8m tons, with increases from India (+0.2m tons) offset by reductions in Brazil (-0.2m tons) and the US (-0.1m tons).
- In the case of China, the production estimate came in unchanged at 6.7m tons but consumption revised downwards by 0.2m tons.
- Cotton futures on the InterContinental Exchange (ICE): Cotton for Mar-13 gained 4.3% w/w at US20.77c/lb, May-13 was up 4.5% w/w at US20.85c/lb, and Oct-13 up 4.1% w/w at US21.18c/lb.
- Wool: Australian wool market regained some ground with prices ending firmer across most categories and lingering supply tightness adding to the bullish tone. The Eastern Market Indicator gained 3.3% w/w but still 24.8% lower y/y at Au\$9.58/kg clean wool. Volumes offered were pegged at 33,192 bales with sales of 93.8%.


Domestic:

- The domestic wool market rebounded on spill over support from the Australian market despite a stronger Rand. The weekly market indicator Cape Wools gained 2.7% w/w to close at R88.58/kg clean wool. Sales reached 96.0% of the smaller offering of 4, 681 bales.
- Major buyers were Standard Wool SA with 1,379 bales (29.5%), G Modiano SA with 1,057 bales (22.6%), Lempriere SA with 859 bales (18.4%), and Stucken & Co with 653 bales (14.0%).

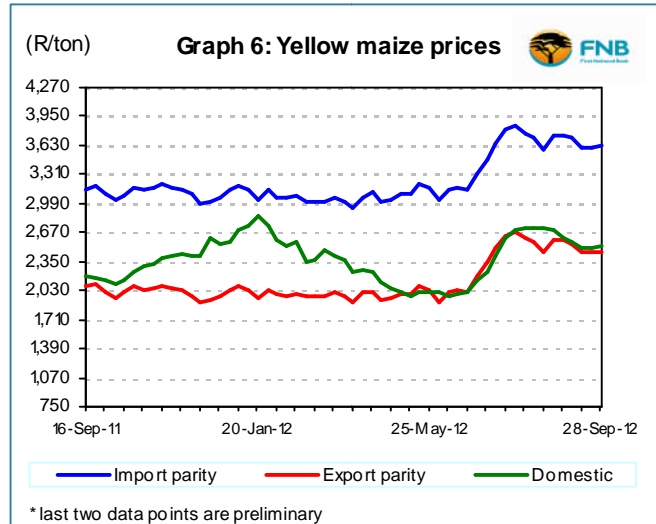
Fibre market prices 14 September 2012	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Oct-12 (AU\$/kg)	Australian futures Jan-12 (AU\$/kg)
Wool market indicator (R/kg)	88.58	88.73		
19 μ long length wool (R/kg)	96.37	96.51	10.60	10.15
21 μ long length wool (R/kg)	91.50	90.06	10.20	9.75
23 μ long length wool (R/kg)	-	81.34	-	-
	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)	15.28	1.85	1.67	1.69

Cotton Futures on ICE;

Yellow maize market (Graph 6)

International:

- The market started out the week with sharp losses on selling pressure ahead of the USDA's monthly report. The USDA report lowered its yield estimates with the production figure coming in at 272.3m compared to 273.7m tons in August.
- This was however slightly above market expectations which added further pressure on the market.
- World production prospects were lowered by 8m tons to 841.1m tons, with reductions for EU-27, Serbia, the US and Canada. World ending stocks were marginally higher at 124m tons.
- Maize futures on CME: Dec-12 fell by 2.2% w/w at US\$308/t, Mar-13 was down by 2.0% w/w at US\$310/t, and May-13 was down by 1.8% w/w at US\$309/t.

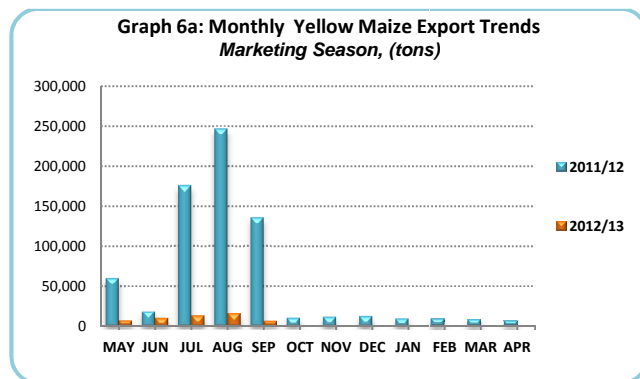


Domestic:

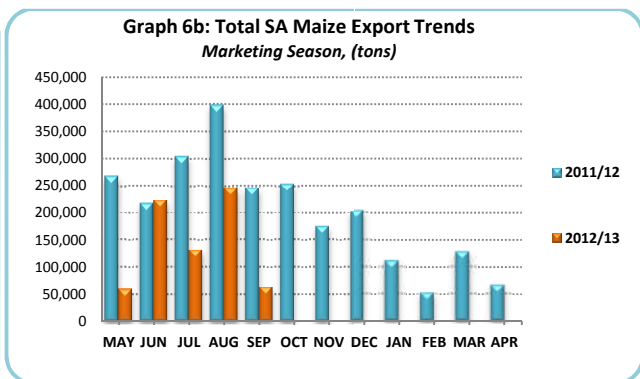
- Yellow maize prices declined further on spill over pressure from CBOT and renewed advances in the Rand versus the US dollar. Weekly yellow maize prices fell by 1.8% w/w but still 14.9% higher y/y at R2,509 per ton.
- Yellow maize import parity prices continued to weaken, falling by 2.9% w/w but still 15.1% higher y/y.
- Export sales for the week were pegged at 4,735t and 55,756 tons for the 2012/13 marketing season. Total maize (YMZ and WMZ) sales for the season reached 725,252 tons.
- Yellow maize futures on the JSE: SAFEX: Dec-12 fell by 1.7% w/w (-R43/t), Mar-13 was down 1.4% w/w (-R35/t), and Jul-13 was down 1.7% w/w (-R40/t).

OUTLOOK

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



Source: SAGIS



Yellow Maize Futures 14 September 2012	Dec-12	Mar-13	May-13	Jul-13	Sep-13
CBOT (\$/t)	308.11	309.68	308.90	305.35	271.54
JSE (R/t)	2,511	2,515	2,288	2,260	-
CHICAGO CORN (R/t)	2,560	2,603	-	2,598	2,333

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
2,560	137	88	2,560	197	152	2,320	202	170
2,520	114	105	2,520	175	170	2,280	180	188
2,480	94	125	2,480	154	189	2,240	159	207

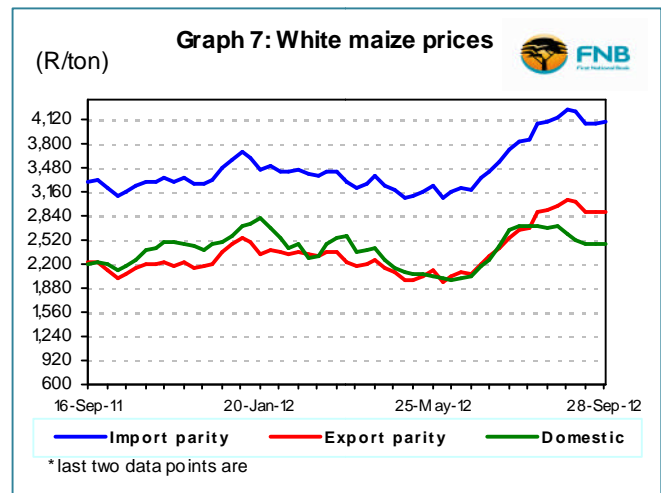
White maize market trends (Graph 7)

International:

- US white maize prices reversed gains and eased lower on harvest pressure despite reduced production estimates.
- Weekly average white maize prices fell by 3.1% w/w but still 16.1% higher y/y at US\$352.08 per ton.

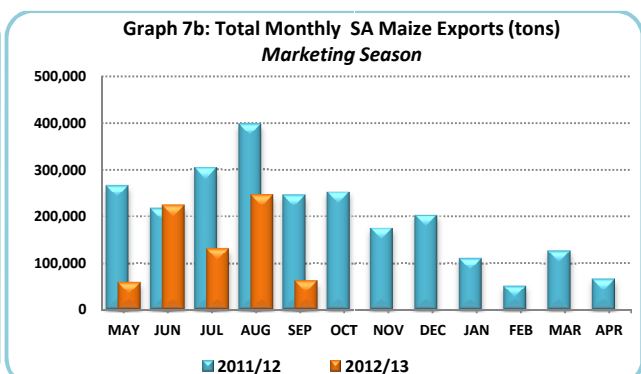
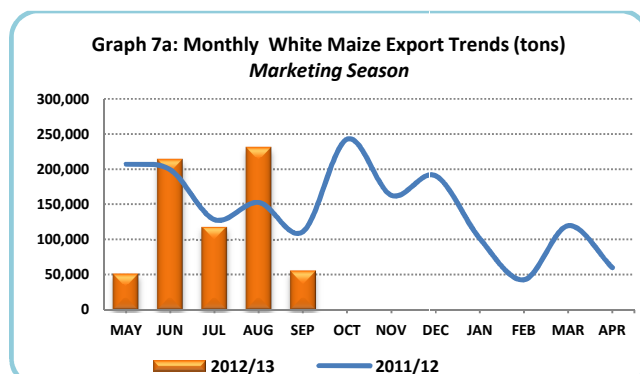
Domestic:

- White maize prices were again lower as the Rand appreciated further 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 to 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 2.1% w/w and closed at R2,481 per ton, which is 12.6% higher y/y.
- Weekly white maize export sales came in at 41,028 tons, bringing the total sales for the 2012/13 marketing season to 669,496 tons.
- WMAZ maize futures on the JSE: Dec-12 fell by 1.4% w/w (-R35/t), Mar-13 was down by 1.7% w/w (-R44/t), and Jul-13 was down 1.8% w/w (-R41/t)..



OUTLOOK

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



White Maize Futures 14 September 2012	Dec-12	Mar-13	May-13	Jul-13	Sep-13			
JSE (R/t) WM ₁	2,518	2,514	2,290	2,265	2,357			
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
2,560	137	95	2,560	188	142	2,340	216	166
2,520	115	113	2,520	166	160	2,300	194	184
2,480	95	133	2,480	145	179	2,260	172	202

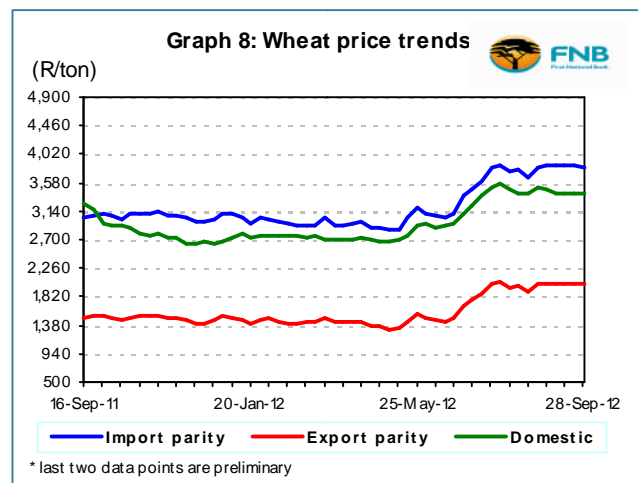
Wheat market trends (Graph 8)

International:

- Wheat posted slight gains on lower production estimates and a weaker US Dollar following an expansionary monetary stance by the US Federal Reserve Bank.
- USDA lowered world wheat supplies for 2012/13 by 3.1m to 771.9m tons, mostly due to lower expected production in Russia. Production for Russia was reduced by 4.0m to 39m tons, due to reduced planted area and yields.
- Further, the neighbouring Kazakhstan also experienced drought conditions and the estimate was reduced by 0.5m tons to 10.5m tons.
- World production is seen at 658.7m tons, down 4.1m tons. Ending stocks fell by 0.5m to 176.7m tons.
- Wheat futures on KCBT: wheat for Dec-12 gained 2.7% w/w at US\$348/t, Mar-13 was up 2.6% w/w at US\$352/t, and May-13 was 2.6% w/w at US\$351/t.
- CME futures: Wheat for Dec-12 gained 2.1% w/w at US\$340/t, Mar-13 was up 2.3% w/w at US\$344/t, and May-13 was up 1.9% w/w at US\$342/t.

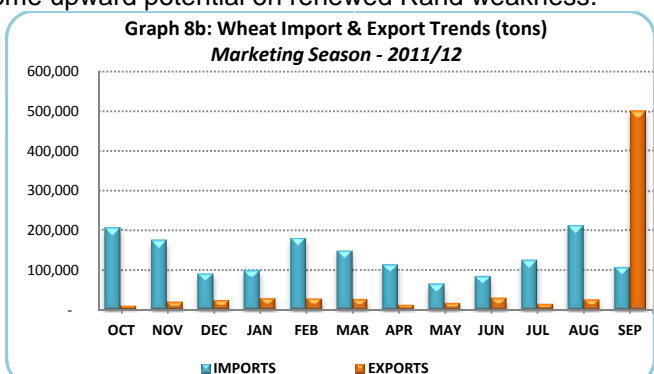
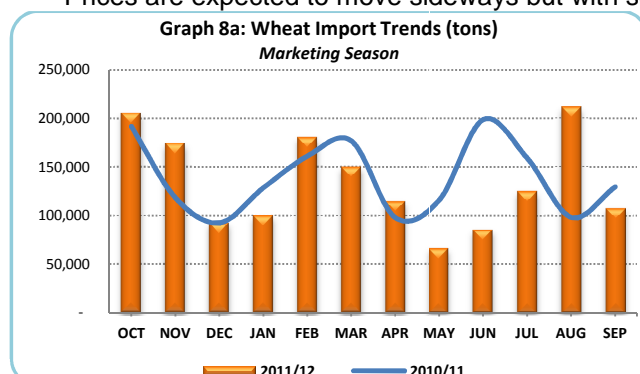
Domestic:

- Wheat prices advanced marginally on spill over strength from the international market. Weekly wheat prices gained 0.1% w/w and 5.9% y/y to close at R3,423 per ton. Weekly import parity prices were a bit softer, falling by 0.1% w/w but still 27.7% higher y/y.
- Weekly import sales were pegged at 46,063 tons, which brings the total sales for the 2011/12 marketing season to 1.61m tons.
- Wheat futures on the JSE: Wheat for Dec-12 delivery increased by 1.2% w/w (+R43/t), and Mar-13 was up 2.0% w/w (+R71/t).



OUTLOOK

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



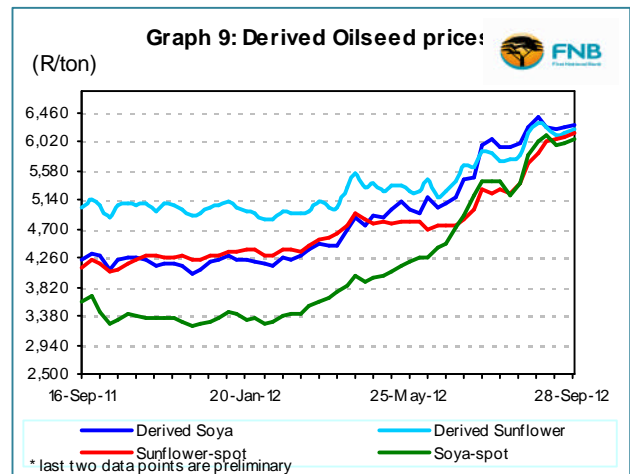
Source: SAGIS; Aug-12 -preliminary

Wheat Futures 14 September 2012	Dec-12	Mar-13	May-13	Jul-13	Sep-13			
KCBT (\$/t)	348.33	352.28	350.99	335.38	335.01			
JSE (R/t)	3,621	3,613	3,613	-	-			
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
3,560	147	115	3,660	251	212	3,660	295	248
3,520	125	133	3,620	229	230	3,620	273	266
3,480	106	154	3,580	208	249	3,580	251	284

Oilseed market trends (Graph 9)

International:

- Prices ended mixed in the soybean complex, with soymeal posting modest gains on improved demand outlook. China's demand for soy based livestock feed and vegetable oils is expected to reach a new record high, leading to a tight supply situation.
- Nonetheless, the extremely high prices are expected to stimulate soybean planting in South America.
- Meanwhile, USDA lowered world soybean production by 2.3m to 258.13m tons, with endings stocks falling by 0.2m to 53.1m tons. Production estimates for Argentina and Brazil were unchanged at 55m and 81m tons respectively.
- In the case of sunflower, world sunflower production for 2012/13 was lowered by 1.7m to 35m tons, due to unfavourable weather conditions in Ukraine, Russia, Kazakhstan, and Eastern Europe.
- In the futures market (CME): Soybeans for Nov-12 delivery rose by 0.1% w/w at US\$639/t, Jan-13 was up 0.3% w/w at US\$639/t, and Mar-13 was up 1.3% w/w at US\$626/t.
- Soymeal for Dec-12 fell by 0.3% w/w at US\$579/t, Mar-13 was up 1.7% w/w at US\$561/t, and May-13 was up 1.8% w/w at US\$522/t.
- Soyoil for Dec-12 increased by 1.3% w/w at US\$7.37c/lb, Mar-13 was up 1.2% w/w at US\$7.86c/lb, and May-13 was up 1.2% w/w at US\$7.76c/lb.



Domestic:

- Oilseeds traded on the JSE ended mixed with soybeans falling under pressure due to weakness on the international market. Weekly soybean prices fell from the recent highs to close at R5,953 per ton, down 2.4% w/w but still 66.2% higher y/y.
- Sunflower rebounded to close marginally higher by 0.6% w/w and 47.4% y/y at R6,049 per ton..
- In the futures market (JSE): Sunflower for Dec-12 gained 2.5% w/w (+R151/t), Mar-13 was up 2.4% w/w (+R140/t), and May-13 was up 1.0% w/w (+R50/t).
- Soybeans for Dec-12 advanced by 0.5% w/w (+R33/t), May-13 fell by 0.6% w/w (-R31/t).

OUTLOOK

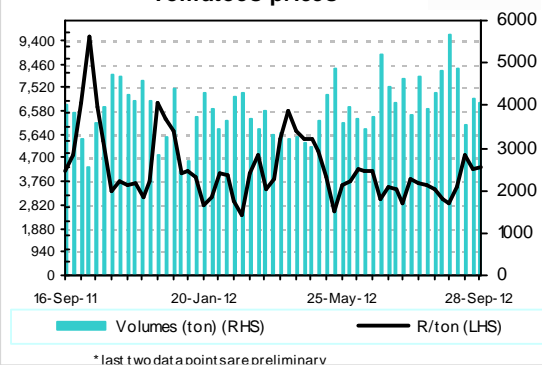
It is expected that prices will trade at current levels in the short term, but with further upward potential for the medium term on bullish trends on international markets.

Oilseeds Futures 14 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	-	-

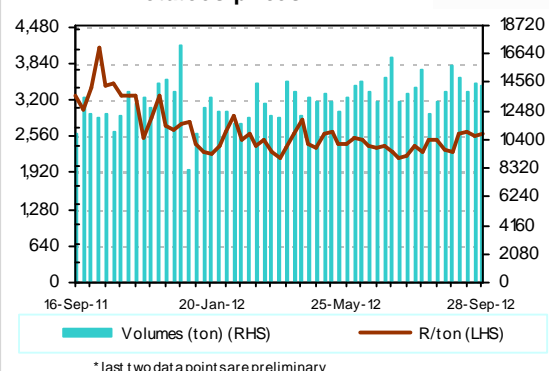
Calculated Sunflower Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Dec-12			Mar-13			Jul-13		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
6,220	301	252	6,100	458	408	5,180	520	470
6,180	280	271	6,060	436	426	5,140	498	488
6,140	259	290	6,020	415	445	5,100	476	506

Vegetable Market Trends (Graphs 10 to 14)
Tomatoes

Tomato prices increased sharply due to decreased supplies on markets. Prices increased by a whopping 36.7% w/w and 16.0% y/y, closing the week at R4,804 per ton. Volumes traded fell by 27.6% w/w and 12.1% y/y, coming in at 3,535 tons. Prices are still expected to remain under pressure in the short to medium term on improved supplies.

**Graph 10: Fresh Produce Markets
Tomatoes prices**

Potatoes

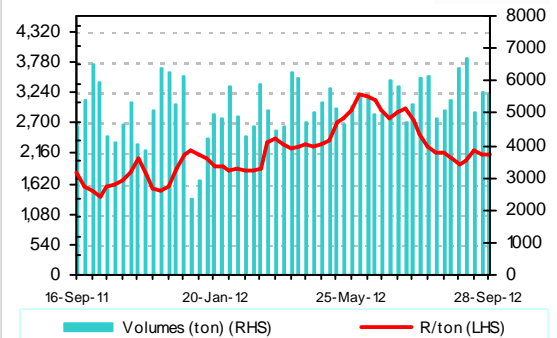
Potato prices increased marginally due to limited supplies on markets. Prices were up 1.6% w/w but still 19.8% lower y/y, closing the week at R2,629 per ton. Volumes traded were down by 6.5% w/w but still 29.2% higher y/y, closing the week at 13,936 tons. It is expected that prices will trend sideways to firmer in the medium term as demand improves.

**Graph 11: Fresh Produce Markets
- Potatoes prices**


Onions

Onion prices increased sharply due to limited supplies on markets. Prices reached R2,218 per ton, up 10.0% w/w and 22.0% y/y. Volumes traded were down 24.9% w/w but still 9.3% higher y/y, closing the week at 5,019 tons. Prices are expected to maintain the sideways trend in the short term but with limited upside potential.

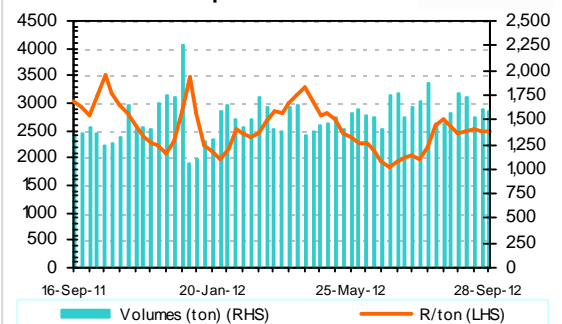
Graph 12: Fresh Produce Markets - Onion prices



Carrots

Carrot prices posted marginal gains due to decreased supplies and limited uptake on markets. Prices were up 1.3% w/w but still 17.5% lower y/y, closing the week at R2,516 per ton. Volumes traded reached 1,518 tons, down 12.2% w/w but still 13.0% higher y/y. Prices are however expected to improve somewhat in the short term on improved demand.

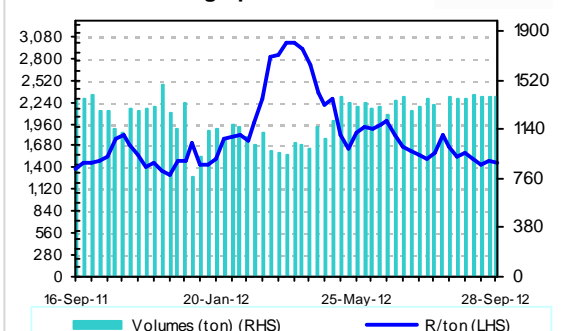
Graph 13: Fresh Produce Markets - Carrot prices



Cabbages

Cabbage prices continued to drift lower on the back of higher volumes and softer demand on markets. Weekly cabbage prices fell by 4.1% w/w but still 3.4% higher y/y, closing the week at R1,441 per ton. Volumes traded reached 1,395 tons, down 0.8% w/w but still 2.0% higher y/y. Prices are expected trend sideways on moderation in demand in the short term.

Graph 14: Fresh Produce Markets - Cabbage prices



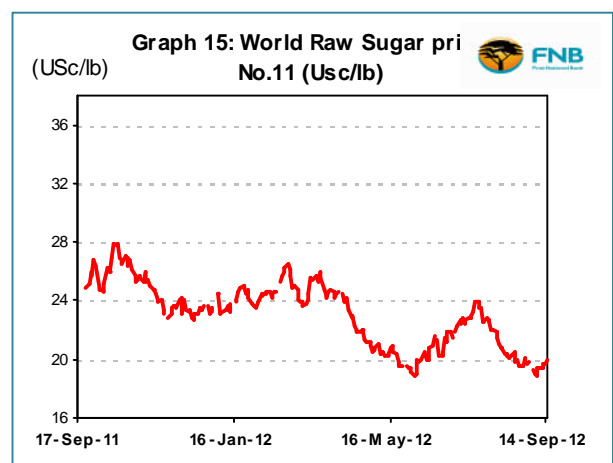
**Vegetable prices: South Africa's Major Fresh Produce Markets.
 (Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)**

Week ending 14 September 2012	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Tomato	4,804	36.7%	16.0%	3535	-27.6%	-12.1%
Potato	2,629	1.6%	-19.8%	13936	-6.5%	29.2%
Onion	2,218	10.0%	22.0%	5019	-24.9%	9.3%
Carrot	2,516	1.3%	-17.5%	1518	-12.2%	13.0%
Cabbage	1,441	-4.1%	3.4%	1395	-0.8%	2.0%

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

Sugar market trends (Graph 15)
International:

- Raw sugar prices finished slightly higher for the week. Weekly prices closed at US19.64c/lb, up 2.6% w/w but still 31.8% lower y/y.
- Meanwhile, higher production for Brazil's key centre-south region will see exports increasing by almost 2.7m to 25.5m tons in 2013/14 according to recent private estimates.
- 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.
- The benchmark Sugar futures on New York's InterContinental Exchange (ICE) (US c/lb): Raw sugar for Mar-13 gained 4.3% w/w at US20.77c/lb, May-13 was up 4.5% w/w at US20.85c/lb, and Oct-13 up 4.1% w/w at US21.18c/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 14 September 2012	Mar-13	May-13	Jul-13	Oct-13	Mar-14
Sugar No.11 (US c/lb)	20.77	20.85	20.89	21.18	21.58
% Change w/w	4.3%	4.5%	4.3%	4.1%	3.8%

Disclaimer:

Although everything has been done to ensure the accuracy of the information, the Bank takes no responsibility for actions or losses that might occur due to the usage of this information.