

Agri-Weekly

19 October 2012
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Beef market trends (Graph 1)

International:

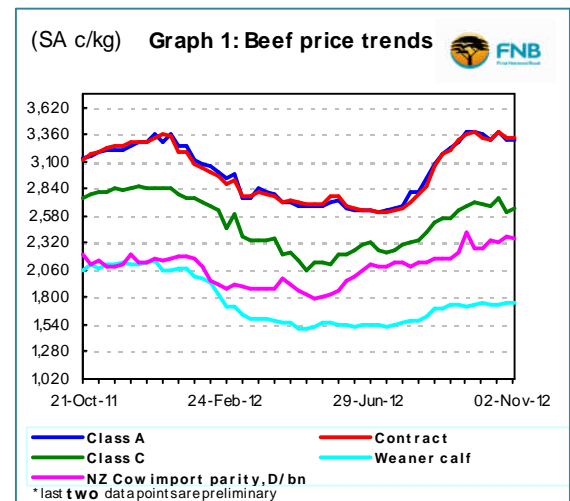
- US domestic manufacturing beef prices trended firmer on moderate demand despite heavy supplies. Market activity on imported beef was reportedly moderate to active with prices trending sharply higher on good demand and tight supplies.
- Weekly boxed beef cut-out values were higher on moderate to good demand and light to moderate offerings.
- Choice beef was up 2.4% w/w and 5.9% y/y at US\$195.65/cwt. Select beef gained 1.9% w/w and was 8.1% higher y/y at US\$180.30/cwt. In the cattle market, the CME Feeder Cattle Index rebounded and closed up 0.9% w/w and 4.8% y/y at US\$144.80/cwt.
- Total cattle slaughter number came in at 634,000 head, up 0.5% w/w but still down 3.2% y/y. Cumulative number slaughtered for the year reached 26.2m head, down 4.1% y/y.
- USDA's latest cattle on feed report indicated that placements in September dropped by 18.8% and sales were down 11.5% y/y. The number of cattle in large feedlots at the start of October was down by 2.6%. Although down from last year, the on-feed number is the second highest for October since 2006.
- USDA's October WASDE report had the US production at 11.6m tons for 2012 and 11.1m tons for 2013, down 2.3% y/y and 3.8% y/y respectively. Beef imports are reduced for 2012 at 1.1m tons based on a slower pace of imports from Canada, but are unchanged m/m for 2013 at 1.2m tons. Beef export estimates for 2012 and 2013 were unchanged at 1.1m tons.
- In Australia, prices ended slightly higher with the benchmark Eastern Young Cattle Indicator (EYCI) gaining 1.1% on the week to close at AU\$3.53/kg cwt but still 11.0% lower y/y.
- Domestic beef prices in New Zealand finished modestly higher for the week. Meanwhile, NZ beef exports are projected to rise by 4.9% y/y to 360,000 tons due to the improved season, expanded dairy herd and carryover of cull cows from last season.

Domestic:

- The beef market posted slight to moderate gains on the back of limited supplies. Weekly Class A beef prices advanced by 2.1% w/w and 8.2% y/y to close at R33.84/kg. Contract Class A beef gained 2.8% w/w and were 8.8% higher y/y at R33.92/kg. Class C beef gained 2.9% w/w but still 0.2% lower y/y at R27.55/kg.
- Weaner calf prices were unchanged w/w but still 15.1% lower y/y at R17.40/kg live weight. The pasture season started on a positive note with good rains across most production areas. However, some areas remain dry especially in the Northern Cape.

OUTLOOK

Weather will be critical for fodder availability going forward. Adverse conditions may force producers to offload stock, thereby placing downward pressure on prices.



Mutton market trends (Graph 2)
International:

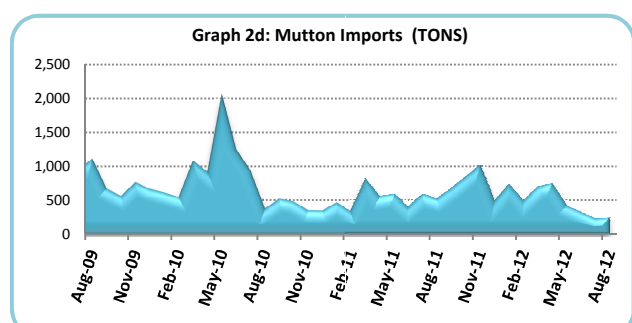
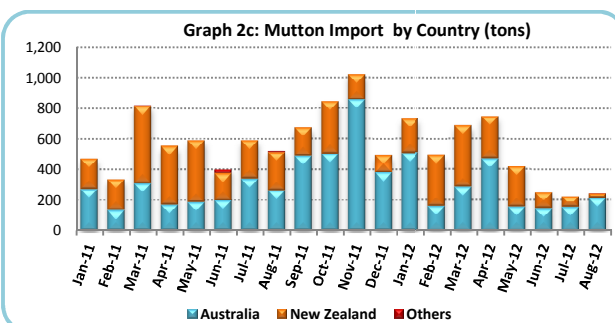
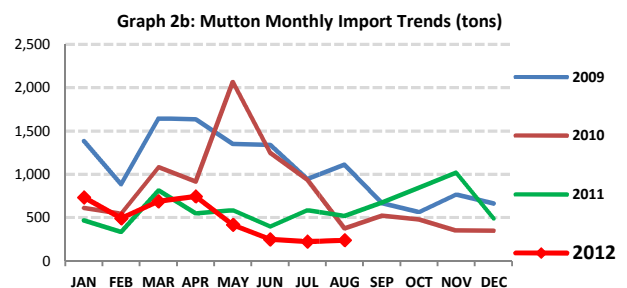
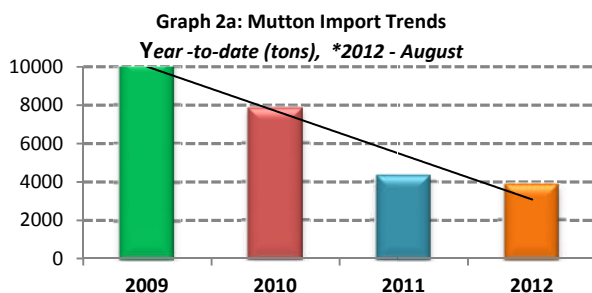
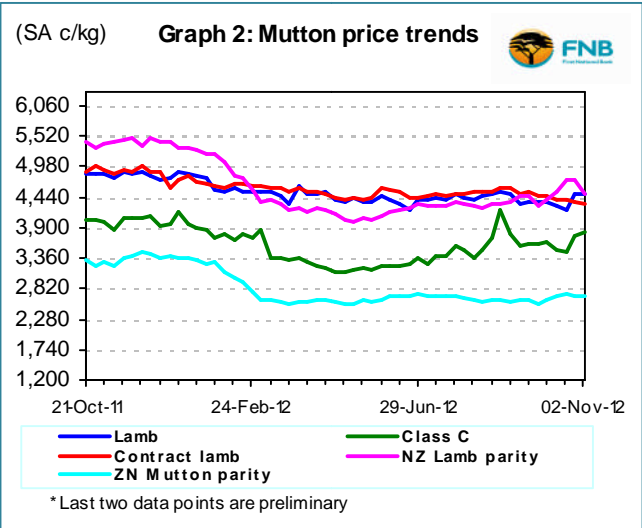
- Australian lamb market remained under pressure due to increased seasonal supplies. This saw the Eastern States Trade Lamb Indicator (ESTLI) falling by 3.4% w/w and 28.3% y/y to close at AU\$3.67/kg cwt.
- Tough economic conditions in major global markets slowed down exports. Australian lamb exports to the EU were reported down 9.0% y/y in September at 1,076 tons and 7,620 tons for the year to date. The decline is attributable to weak demand conditions within the EU, the firmer exchange rate regime and strong competition from frozen New Zealand product.
- In New Zealand (NZ), producer prices were a bit softer for the week. Weekly lamb prices fell by 1.3% and were 24.0% lower y/y at NZ\$99.20/head. Meanwhile, the NZ lamb production during August was reported to have dropped by 20.0% y/y at to 13,825 tons cwt. The decline was attributed to a sharp fall in harvest rate, which fell by 21.0% y/y at 692,025 head. Nonetheless, the cumulative year to August lamb production reached 264,923 tons cwt which is 4.0% higher y/y.
- In the US, the Lamb Cutout values remained under pressure and weakened. Lamb Carcass Cutout traded at US\$276.79/cwt, down 0.5% w/w and 26.9% y/y. Weekly number of sheep slaughtered came in unchanged w/w and y/y at 39,000 head. The cumulative number slaughtered for the year to date was 1.6m head.

Domestic:

- On the local market, prices ended mixed with contract lamb reversing last week's losses. Contract Class A lamb finished slightly firmer at R43.72/kg, up 0.1% w/w but still 10.4% lower y/y. Weekly Class A lamb prices fell by 2.0% w/w and 13.3% y/y to close at R41.98/kg.
- Mutton prices extended recent losses and closed down 0.3% w/w and 14.1% y/y at R34.79/kg. Feeder lamb prices on the other hand rebounded and closed 1.8% higher w/w but still 23.7% lower y/y at R21.50/kg live weight.

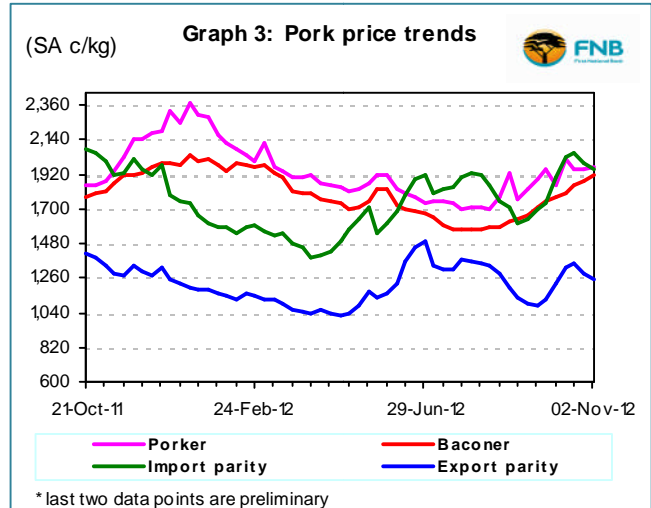
OUTLOOK

The market is however still expected to trend firmer in the medium term on seasonal increase in demand.



Pork market trends (Graph 3)
International:

- The US domestic pork market extended gains despite increased slaughtering due to limited supplies and improved demand. Prices were up across most categories. Weekly carcass prices traded at US\$88.24/cwt, up 2.3% w/w but still 10.0% lower y/y.
- Loins gained 3.0% on the week to close at US\$97.21/cwt, but still 8.2% lower y/y. Ribs traded at US\$130.90/cwt, up 5.3% w/w but still down 9.4% y/y. Ham prices gained 2.2% w/w to close at US\$78.13/cwt, but were still 10.8% lower y/y.
- USDA's October estimate had the 2012 pork production at a slightly elevated level of 10.5m tons, up 2.4% y/y. The 2013 forecast was raised by 0.4% m/m but down 1.3% y/y at 10.4m tons.

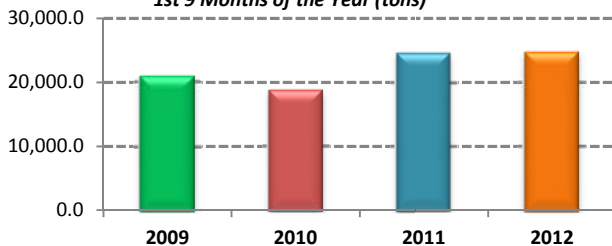

Domestic:

- On the domestic market, prices were mixed with baconers extending recent gains. Weekly porker prices traded at R19.50/kg, down 3.3% w/w but still 5.4% higher y/y. Baconer prices advanced by 2.9% w/w and 4.2% y/y to close at R18.54/kg.
- Import parity prices continued to strengthen mainly due to higher international prices. Weekly import parity prices increased by 1.1% w/w but still 1.6% lower y/y.
- Monthly imports fell by 5.7% m/m and 1.7% y/y in September, coming in at 1,731 tons. However the cumulative year to date imports were 0.6% higher y/y at 24,550 tons. Major suppliers were Germany with 895 tons (71.3%), Canada with 206 tons (16.4%), Spain with 73 tons (5.8%) and Others with 81 tons (6.4%).

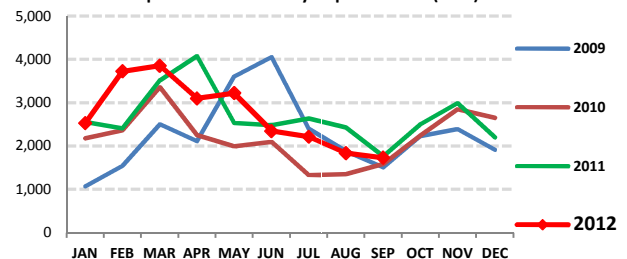
OUTLOOK

Prices are expected to retain the current momentum in to the festive season on supply tightness and improved demand.

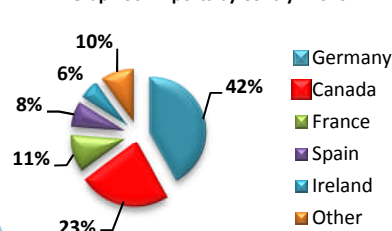
Graph 3a: Pork Import Trends
1st 9 Months of the Year (tons)



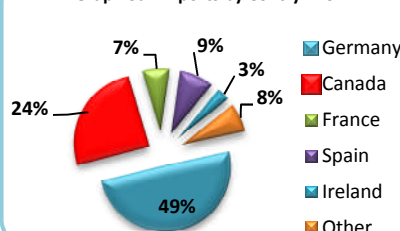
Graph 3b: Pork Monthly Import Trends (tons)



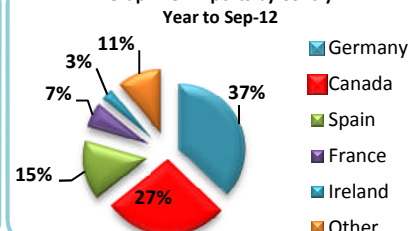
Graph 3c: Imports by Contry - 2010



Graph 3d: Imports by Contry - 2011



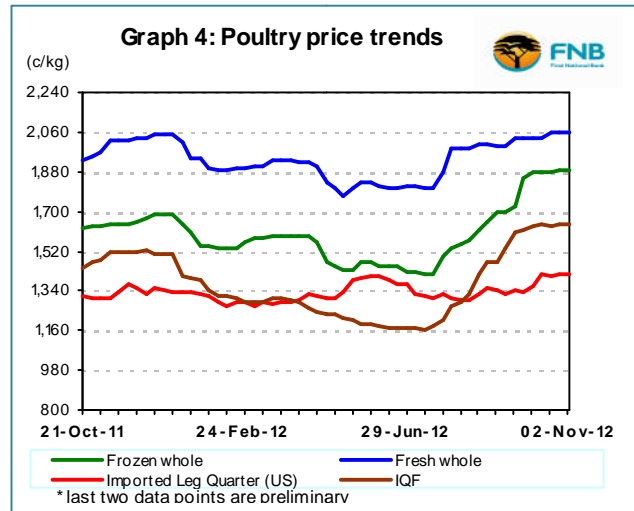
Graph 4e: Imports by Contry
Year to Sep-12



Source: SAPPO, SARS, Own Calculations

Poultry market trends (Graph 4)
International:

- US domestic prices ended mixed with whole birds continuing to trend sideways. Demand at retail and food service was reportedly light to moderate ahead of the weekend. Weekly whole bird prices remained unchanged at US\$95.75c/lb, but still 7.6% higher y/y. Leg quarters traded at US\$53.33c/lb, up 0.3% w/w and 0.6% y/y. Breast cuts fell by 1.0% w/w and closed at US\$99.83c/lb, but still 25.1% higher y/y. Wings gained 0.1% w/w at US\$183c/lb, which is 59.4% higher y/y.
- US broiler production for 2012 was reduced by 1.3% y/y to 16.4m tons in the latest USDA outlook report. The 2013 figure was however raised by 0.2% m/m in October to 16.2m tons but will be 0.8% lower y/y.
- According to the USDA, global production was projected up 1.0% to a record 83.5m tons driven by strong demand for animal protein particularly in China, Brazil and India. Rising incomes, an expanding middle class and stronger demand for animal protein have propelled production in these countries. Combined, these countries represent 85.0% of the projected growth in global production for 2013. However, higher feed costs over the past few years have eroded profit margins, as larger producers have consolidated for cost-savings synergies and to help maintain margins.

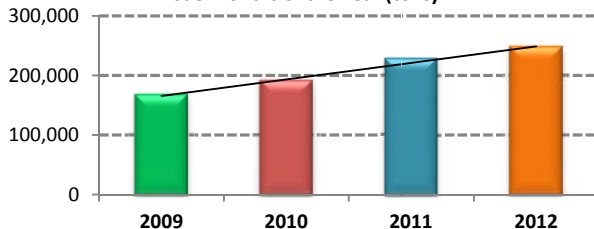

Domestic:

- The broiler market was firmer across most categories on moderation in supplies. The exception was IQF which softened slightly on moderation in demand during midmonth. Weekly IQF prices eased by 0.4% w/w but still 13.0% higher y/y at R16.33/kg. Medium frozen whole bird prices were unchanged at R18.80/kg, but still 15.7% higher y/y.
- Medium fresh whole birds traded at R20.55/kg, up 1.0% w/w and 6.2% y/y.
- Import parity prices reversed recent gains as the Rand posted a modest recovery and strengthened. Weekly import parity prices eased lower by 0.4% w/w but still 7.0% higher y/y.

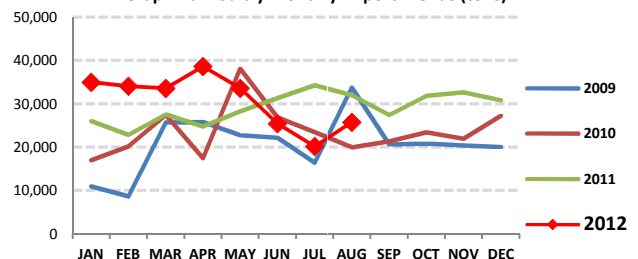
OUTLOOK

The short to medium term price outlook remains bullish, on improved seasonal demand and tightening supplies as cost pressures force production cutbacks.

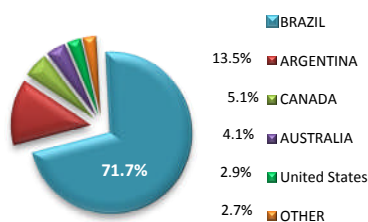
Graph 4a: Poultry Import Trends
1st 8 Months of the Year (tons)



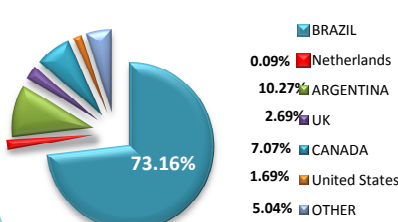
Graph 4b: Poultry Monthly Import Trends (tons)



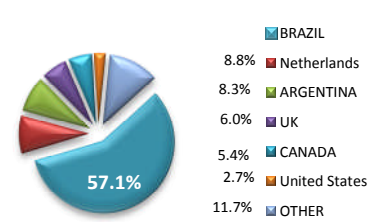
Graph 4c: Imports by Country - 2009



Graph 4d: Imports by Country - 2010



Graph 4e: Imports by Country - 2011

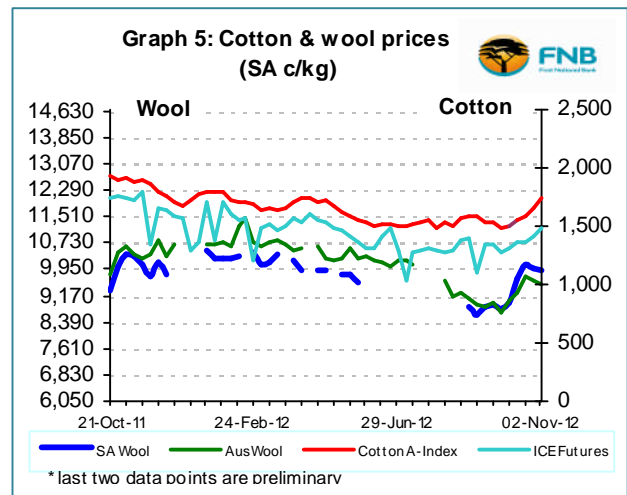


Producer prices for selected livestock commodities 19 October 2012	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	33.84	41.98	19.50	20.55
Open market: Class C / Baconer / Frozen whole birds(R/kg)	27.55	34.79	20.15	18.80
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	33.92	43.72	18.54	16.33
Import parity price (R/kg)	23.24	27.35	20.54	14.09
Weaner Calves / Feeder Lambs (R/kg)	17.40	21.50		

Wool and cotton market trends (Graph 5)

International:

- Cotton prices posted slight gains on good export demand. However, harvest pressure and the increased ending stocks outlook limited further gains. Focus is now on India and Pakistan where the monsoon has improved, with beneficial rains reported in production areas of both countries.
- US harvest progress is aided by favourable weather with crops reportedly in good condition. The latest USDA cotton estimate came out bearish for prices. The 2012/13 ending stocks estimate increased by 0.5m y/y to 1.2m tons. US production was raised by 2.7% from the September estimate to 3.8m tons, up 11.6% y/y.
- Globally, the ending stocks figure increased by 3.0% m/m and 13.9% y/y to 17.2m tons, with a record stocks-to-use ratio of 74.0%. This is attributable to a combination of sharply higher production and reduced consumption.
- Global production was pegged at 25.3m tons, up 2.0% from last month but still 6.3% lower y/y. Production increases were expected mainly in India, China, Brazil, Pakistan and the United States.
- Cotton futures on the InterContinental Exchange (ICE): Cotton for Dec-12 rose by 7.7% w/w at US76.88c/lb, Mar-13 was up 4.9% w/w at US75.43c/lb, and Jul-14 was unchanged at US79.24c/lb.
- Wool: Australian wool market posted modest gains, with the Eastern Market Indicator advancing by 4.0% w/w to close at AU\$10.14/kg clean wool but still down 12.4% y/y. Volumes offered were pegged at 50,585 bales with sales of 95.6%.



Domestic:

- The wool market continues to post sharp gains on improved demand and spill over support from the Australian market. This saw the weekly market indicator Cape Wools Merino increasing by 4.5% w/w and 8.6% y/y at R101.19/kg clean wool. This is 13.4% and 15.8% higher than the current season's average and the opening sales respectively.
- Major buyers were: Standard Wool SA with 2,969 bales (32.0%), G Modiano SA with 2,124 bales (22.9%), Stucken & Co with 1,758 bales (19.0%), and Lempriere SA with 1,748 bales (18.9%).
- The 2011/12 cotton crop is slightly higher than expected from the previous estimate at 64,763 bales. This is however 28% lower y/y.

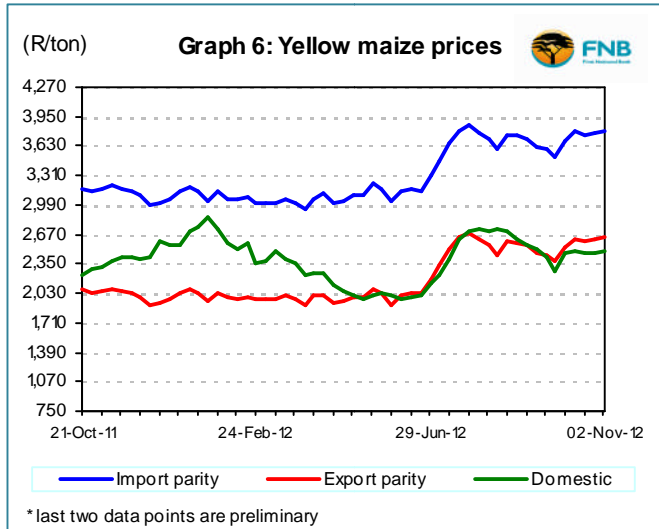
Fibre market prices 19 October 2012	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Jan-13 (AU\$/kg)	Australian futures Mar-13 (AU\$/kg)
Wool market indicator (R/kg)	101.19	97.48		
19 μ long length wool (R/kg)	106.60	107.06	10.75	10.35
21 μ long length wool (R/kg)	100.03	99.42	10.00	9.60
23 μ long length wool (R/kg)	-	94.11	8.50	8.10
	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)	15.88	1.83	1.69	1.66

Cotton Futures on ICE;

Yellow maize market (Graph 6)

International:

- US maize prices moved sideways due to harvest pressure and spill over weakness in the soybean markets. US harvest remains at a rapid pace with 79 percent complete. USDA outlook report still added to the weaker tone, with the world production estimate for 2011/12 were pegged at 877.8m tons, up by 5.7% y/y while ending stocks were up by 3.5% y/y at 131.5m tons. However, the 2012/13 world production and ending stocks estimates were revised downwards by 0.2% and 5.4% at 839m tons and 117m tons respectively. Weekly export sales remained bearish coming in at 166,700 tons.
- Futures on CME were however firmer across the board: Maize for Mar-13 closed up 0.9% w/w/ at US\$297/t, May-13 gained 0.9% w/w at US\$294/t, and Jul-13 was up 0.7% w/w at US\$292/t.

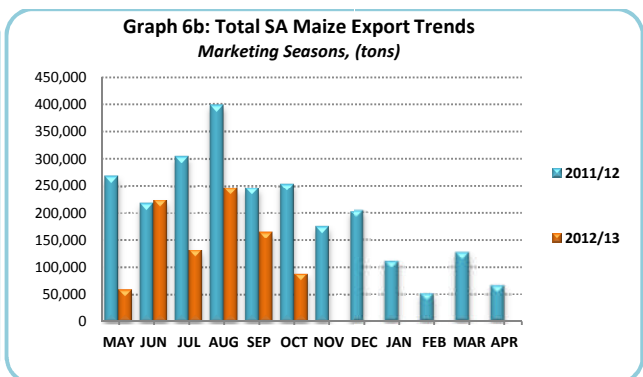
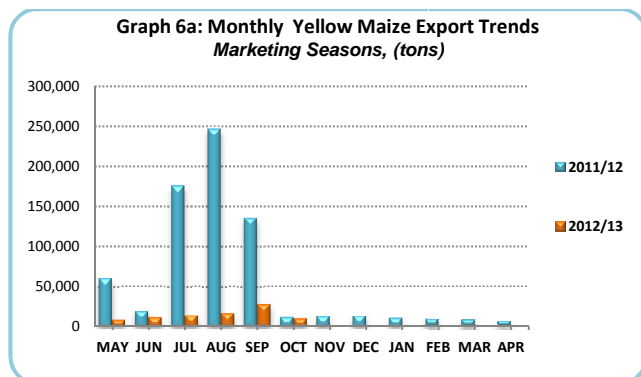


Domestic:

- Yellow maize prices reversed gains on spill over pressure from international market with a stronger Rand adding to the weaker tone.
- Weekly yellow maize prices fell by 1.2% w/w but still 10.4% higher y/y at R2,461 per ton. Yellow maize import parity prices were down 0.6% w/w but 19.0% higher y/y.
- Export sales for the week came in at 2,942 tons, bringing the progressive total to 87,737 tons for the 2012/13 marketing season.
- Yellow maize futures on the JSE: SAFEX: Yellow maize for Dec-12 gained 0.8% w/w (+R21/t), Mar-13 was up 0.2% w/w (+R4/t), and Jul-13 was up 0.2% w/w (+ R4/t).

OUTLOOK

Prices are expected to trend sideways until planting time. However, the market may still turn lower in reaction to the expanding planted area and favourable production conditions.



Source: SAGIS

Yellow Maize Futures 19 October 2012	Dec-12	Mar-13	May-13	Jul-13	Sep-13
CBOT (\$/t)	299.99	299.20	296.92	293.77	261.38
JSE (R/t)	2,563	2,537	2,256	2,232	-
CHICAGO CORN (R/t)	2,618	2,638	-	2,625	2,350

Calculated Yellow Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Dec-12			Mar-13			May-13		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2,600	106	69	2,580	178	135	2,300	191	147
2,560	84	87	2,540	155	152	2,260	169	165
2,520	65	108	2,500	135	172	2,220	148	184

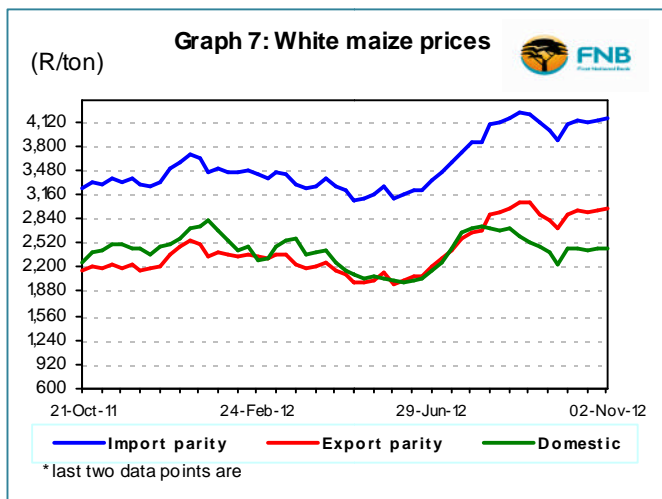
White maize market trends (Graph 7)

International:

- US white maize prices remained under pressure due the advancing harvest and spill over weakness in global stock markets. Weekly average white maize prices closed at US\$336 per ton, unchanged from last week but still 23.4% higher y/y.

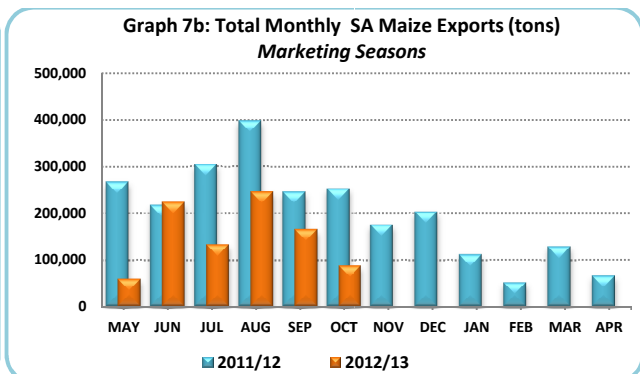
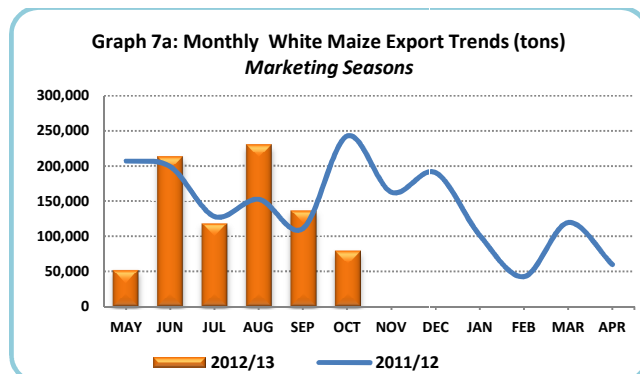
Domestic:

- White maize prices posted marginal losses under pressure due to weakness on international markets coupled with the advancing Rand. Weekly white maize prices fell by 1.1% w/w but still 6.9% higher y/y at R2,427 per ton. White maize import parity prices were down 0.8% w/w but still 19.0% higher y/y.
- Weekly white maize export sales for were pegged at 41,960 tons, with total sales for the season to date reaching 832,416 tons. Cumulative maize export sales for the 2012/13 season advanced to 920,153 tons (White and Yellow maize).
- WMAZ maize futures on the JSE: White maize for Dec-12 gained 0.9% w/w (+R23/t), and Mar-13 was up 1.1% w/w (+R27/t).



OUTLOOK

Prices are expected to trend sideways until planting time. However, the market may still turn lower in reaction to the expanding planted area and favourable production conditions.



Source: SAGIS; Aug-12 -preliminary

White Maize Futures 19 October 2012	Dec-12	Mar-13	May-13	Jul-13	Sep-13			
JSE (R/t) WM ₁	2,544	2,558	2,250	2,227	2,226			
Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Dec-12			Mar-13			May-13		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2,580	102	66	2,600	172	130	2,300	198	148
2,540	80	84	2,560	150	148	2,260	175	165
2,500	61	105	2,520	130	168	2,220	154	184

Wheat market trends (Graph 8)
International:

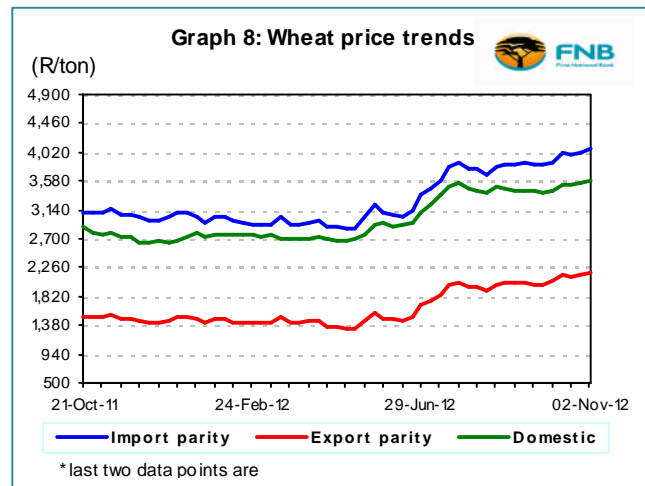
- US Wheat prices eased lower on improved weather conditions, weak export demand and the spill over pressure from other grains. US winter wheat plantings were earlier reported at 71 percent completed.
- USDA's October outlook report pegged world ending stocks for 2012/13 at 176.71m tons, down 10.8% m/m and 10.7% y/y.
- The world production estimate was reduced by 5.3% m/m at 658.7m tons, but still 1.0% higher y/y. The decline is due to lower production for Australia (-3m tons), Russia (-1m tons), and EU-27 (-0.8m tons) as a result of bad weather conditions during the growing period.
- KCBT futures: Wheat for Mar-13 gained 1.8% w/w at US\$338/ ton, May-13 was 1.7% higher w/w at US\$339/t, and Jul-13 was up 1.0% w/w at US\$326/t.
- CME futures: Wheat for Mar-13 was down 1.5% w/w at US\$325/t, May-13 was down 1.2% w/w at US\$326/t, and Jul-13 was down 1.5% w/w at US\$312/t.

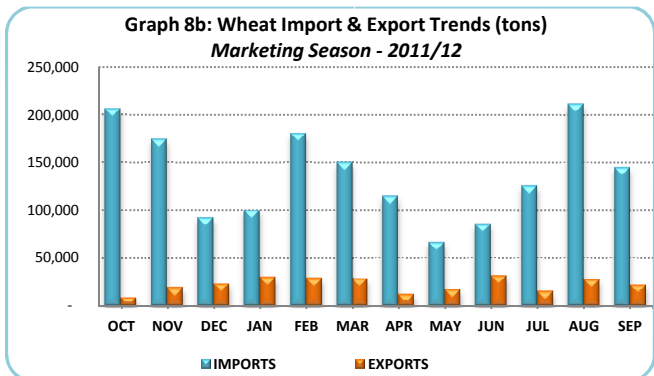
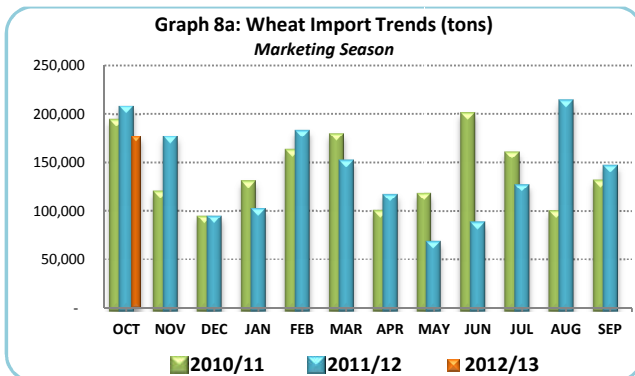
Domestic:

- Wheat prices fell slightly in line with weakness on the international market coupled with a stronger Rand/US dollar exchange rate. Weekly wheat prices fell by 0.4% w/w but were still 11.3% higher y/y at R3,517 per ton. Weekly import parity prices eased lower, closing down 1.2% w/w but still 28.9% higher y/y.
- Weekly import sales came in at 43,769 tons, and bringing the cumulative total for the new marketing season to 176,456 tons (2012/13).
- Recent production estimates showed a decline in the expected wheat harvest. The expected harvest is now estimated at 1.762m tons, down 0.1% from the previous estimate. The area under wheat was reduced by 40,000 ha from the previous estimate to 511,200 ha, mainly due to the drop in the area planted for the Free State (130,000 ha).
- Wheat futures on the JSE: wheat for Dec-12 delivery gained 0.6% w/w (+R23/t), Mar-13 was up 0.7% w/w (+R26/t), and Jul-13 was 1.4% higher w/w (+R50/t).

OUTLOOK

Prices are expected to trend sideways with limited upward potential in the short term.





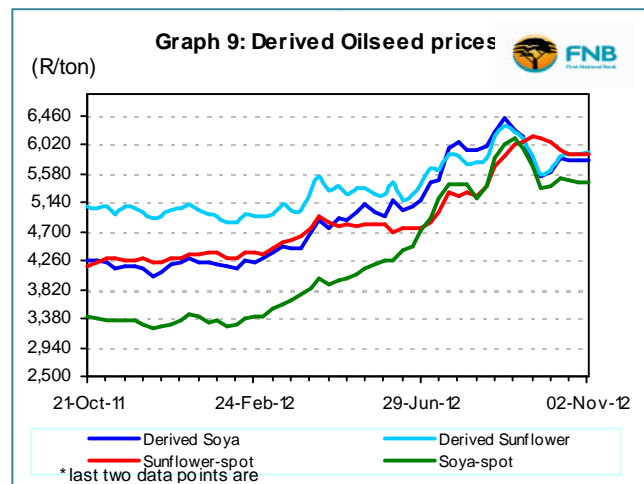
Source: SAGIS; Aug-12 -preliminary

Wheat Futures 19 October 2012	Dec-12	Mar-13	May-13	Jul-13	Sep-13				
KCBT (\$/t)	333.63	337.86	339.14	325.82	326.01				
JSE (R/t)	3,589	3,686	-	3,748	-				
Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)									
	Dec-12		Mar-13			May-13			
	Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
	3,620	88	57	3,720	216	182	3,760	259	210
	3,580	66	75	3,680	195	201	3,720	237	228
	3,540	49	98	3,640	174	220	3,680	216	247

Oilseed market trends (Graph 9)

International:

- Prices were generally lower in the soybean complex due to seasonal selling pressure and higher than expected yields. Weather conditions were reportedly better in South America, with improved planting conditions in Brazil. Conditions are better in Argentina as well, as it has turned drier there after lots of rain the last few weeks. USDA raised its 2012 estimate of the US soybean yield and together with the increased harvest area raised production to 77.8m tons.
- On the world front, a larger US crop helped raise the 2012/13 production by 6.2m tons to 264.3m tons. World ending stock increased by 5.9% m/m and 0.5% y/y to 64.0m tons. China, the biggest consumer, is expected to import 61m tons during the 2012/13 season which is 1.5m higher than the previous estimate.
- Futures in the soybean complex on CME: Soybeans for Jan-13 was 0.9% higher w/w at US\$565/t, Mar-13 gained 1.2% w/w at US\$555/t, and May-13 gained 1.0% w/w at US\$538/t.
- Soymeal futures: Soymeal for Jan-13 was almost unchanged w/w at US\$506/t, Mar-13 was up 1% w/w at US\$493/t, and May-13 was up 1% w/w at US\$469/t.
- Soyoil futures: Soyoil for Jan-13 gained 1.8% w/w at US\$1.98c/lb, Mar-13 was up 1.7% w/w at US\$2.43c/lb, and May-13 was up 1.6% w/w at US\$2.74c/lb.



Domestic:

- Oilseeds traded on the JSE were down across the board, under pressure due to a stronger Rand and weakness on international markets. Weekly soybean prices fell by 0.8% w/w but still 59.6% higher y/y at R5,463 per ton.
- Sunflower extended losses, closing down 1.0% w/w and 40.4% y/y at R5,864 per ton.
- In the futures market (JSE): Soybeans for Dec-12 gained 1.7% w/w (+R91/t), May-13 was up 1.8% w/w (+R85/t).
- Sunflower for Dec-12 gained 1.4% w/w (+R80/t), Mar-13 was up 1.1% w/w (+R60/t), and May-13 was up 3.5% w/w (+R165/t).

OUTLOOK

Prices are expected to trend sideways with limited upward potential in the short term.

Oilseeds Futures 19 October 2012	Dec-12	Mar-13	May-13	Jul-13	Sep-13
CBOT Soybeans (US \$/t)	-	558.72	541.68	535.94	507.28
CBOT Soya oil (US c/lb)	56.57	57.50	57.84	58.08	58.05
CBOT Soya cake meal (US\$/t)	524.92	500.89	475.54	466.94	437.18
JSE Sunflower seed (R/t)	5,850	5,285	4,820	4,825	-
JSE Soybean seed (R/t)	5,565	5,230	4,700	4,690	-

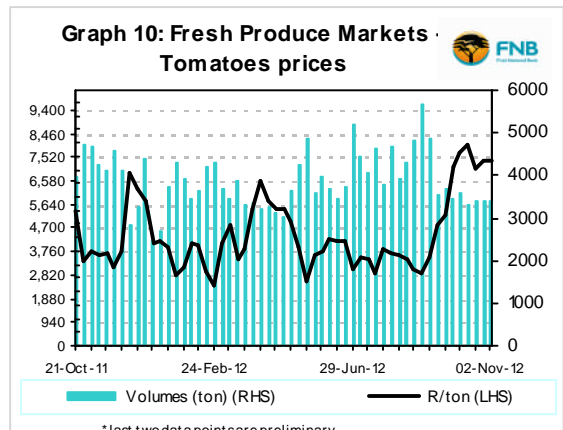
Calculated Sunflower Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)

Dec-12			Mar-13			May-13		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
5,900	211	161	5,320	352	317	4,860	447	407
5,860	189	179	5,280	330	335	4,820	425	425
5,820	169	199	5,240	309	354	4,780	403	443

Vegetable Market Trends (Graphs 10 to 14)
Tomatoes

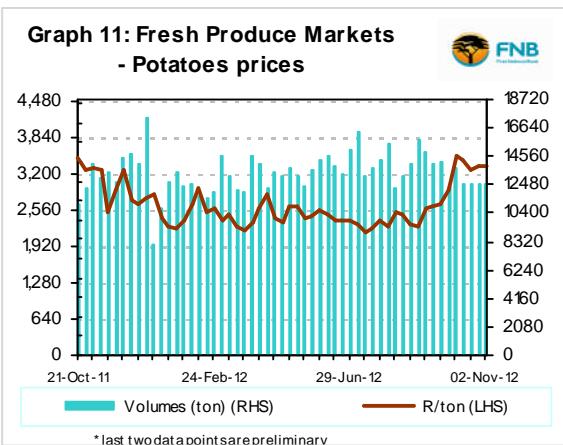
Tomato prices reversed recent sharp gains and weakened due to a combination of improved supplies and softer demand. Weekly tomato prices fell by 12.4% w/w but were 30.7% higher y/y at R7,063 per ton. Volumes traded increased by 2.9% w/w but were 14.7% lower y/y, coming in at 3,396 tons.

Prices are expected to bottomed and firm slightly on improved uptake.


Potatoes

Potato prices extended losses under pressure due to weak uptake across most markets. Weekly potato prices fell by 4.8% w/w and 6.3% y/y, closing the week at R3,265 per ton. Volumes traded came in almost unchanged from last week at 12,456 tons, but were still 12.9% higher y/y.

Prices are expected to move sideways to firmer in the short term on moderation in supplies.

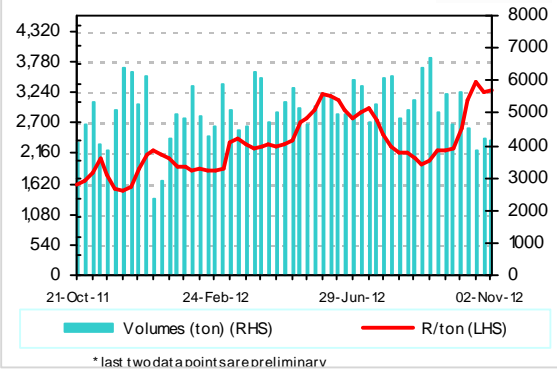


Onions

Onion prices continued to post strong gains due to tight supplies across most markets. Weekly onion prices rose by 10.9% w/w and 115.7% y/y to close at R3,428 per ton. Volumes traded fell by 15.9% and 6.9% y/y, coming in at 3,830 tons.

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

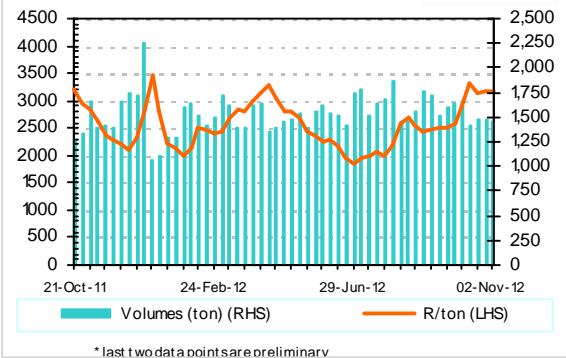
Graph 12: Fresh Produce Markets - Onion prices



Carrots

Carrot prices posted modest losses under pressure due to improved supplies and softer demand. Weekly carrot prices fell by 5.5% w/w and 1.4% y/y at R3,151 per ton. Volumes traded reached 1,468 tons, up 4.5% w/w and 15.9% y/y. It is however expected that prices will ease slightly on improved supplies.

Graph 13: Fresh Produce Markets - Carrot prices

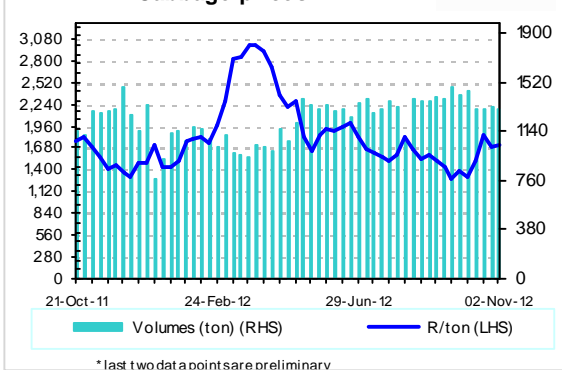


Cabbages

In the case of cabbages, prices increased sharply on reduced supplies and good demand on markets. Weekly cabbage prices rose by a whopping 23.4% w/w but were 4.5% higher y/y at R1,851 per ton. Volumes traded were pegged at 1308 tons, down by 0.7% w/w but still 14.1% higher y/y.

It is however expected that prices will ease somewhat in the short term on improved supplies.

Graph 14: Fresh Produce Markets - Cabbage prices



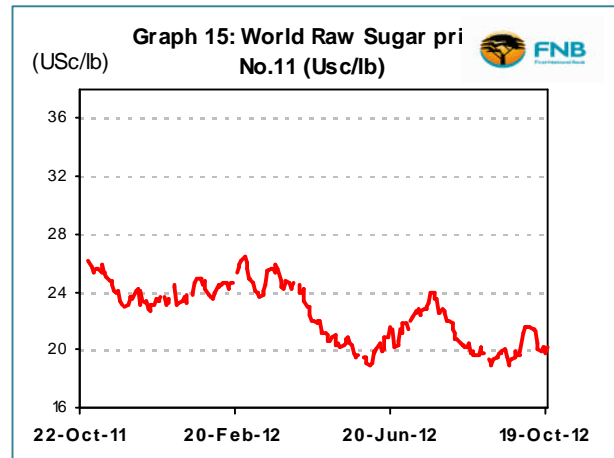
**Vegetable prices: South Africa's Major Fresh Produce Markets.
(Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)**

Week ending 19 October 2012	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Tomato	7,063	-12.4%	30.7%	3396	2.9%	-14.7%
Potato	3,265	-4.8%	-6.3%	12456	0.0%	12.9%
Onion	3,428	10.9%	115.7%	3830	-15.9%	-6.9%
Carrot	3,151	-5.5%	-1.4%	1468	4.5%	15.9%
Cabbage	1,851	23.4%	4.5%	1308	-0.7%	14.1%

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

Sugar market trends (Graph 15)
International:

- Sugar prices posted a modest decline due to stronger US dollar and increased global supply outlook. Raw sugar prices averaged US20.93c/lb for the week, falling by 4.3% w/w and 26.3% y/y. Bearish factors included good harvest progress and processing in Brazil, and reports of strong production in Thailand and India.
- According to the USDA, projected US sugar supply for fiscal year 2012/13 is increased 122,000 short tons, raw value, compared with last month, due to higher carry-in stocks and a small increase in imports from Mexico.
- The increase in 2011/12 ending inventories is a result of higher-than expected production and lower total use more than offsetting lower imports. These 2011/12 changes are mainly the result of end-of-year final estimates. For 2012/13, U.S. exports are increased 25,000 tons, in line with an increase in Mexico's imports. For Mexico, higher 2012/13 carrying stocks and imports are nearly offset by higher expected deliveries of sugar for the products re-export program.
- The benchmark Sugar futures on New York's InterContinental Exchange (ICE) (US c/lb): Raw Sugar for May-13 was up 0.7% w/w at US20.14c/lb, Jul-13 was up 0.5% w/w at US20.03c/lb, while Mar-14 fell by 0.3% w/w at US20.58c/lb.


Domestic:

- The October 2012 RV price in respect of cane delivered in September was declared at R3,171.85 per ton, R15.28 per ton higher m/m. According to the Cane Growers' Association, the increase was due to the higher weighted average No.11 world market price (23.56 USc/lb vs. 22.70 USc/lb), the weaker average R/\$ exchange rate (8.39 vs. 8.30) and the 40 827 ton drop in gross sugar production (2,110m tons vs. 2,152 m tons). Negative factors were the 36,327 ton reduction in the LMDE and the lower Sugar: RV ratio (94.77% vs. 94.80%).
- About 29.2% of the estimated export availability is reportedly 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, 315 589 ton has been made available for marketing and pricing. To date 291 140 tons has been priced at an average of US24.08c/lb. At this point 24 449 tons are unpriced and 81 137 tons are in the crop buffer. This means that 105 86 tons of the estimated production in 2012/13 are currently subjected to world market price and R/\$ exchange rate volatility.

ICE Sugar Futures 19 October 2012	May-13	Jul-13	Oct-13	Mar-14	May-14
Sugar No.11 (US c/lb)	20.14	20.03	20.24	20.58	20.46
% Change w/w	0.7%	0.5%	0.1%	-0.3%	-0.4%

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