



27 January 2012

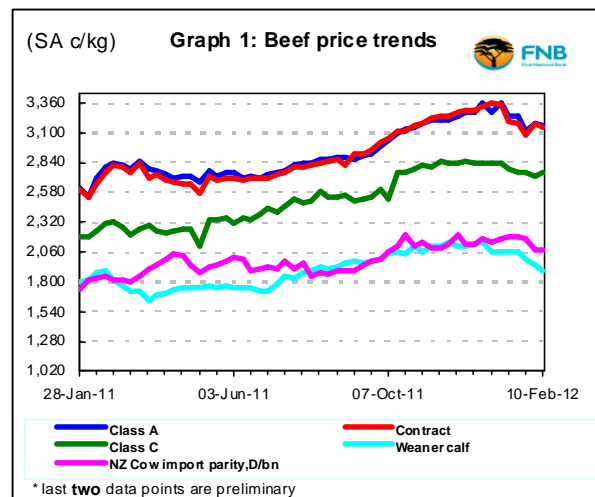
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Beef market trends (Graph 1)

- **International:** US lean boneless processing beef market retained upward trend on the back of good demand and moderate supplies. Market activity on imported beef was reportedly moderate with prices mostly higher due to tight supplies and strong domestic seasonal demand. Boxed beef cutout values rebounded and finished higher for both the Select and Choice categories on light to moderate demand. In Australia, cattle prices weakened on softer demand and steady supplies. The benchmark young cattle indicator EYCI fell by 3.4% w/w and 0.1% y/y to close at AU\$3.90/kg cwt.
- **Domestic:** Beef prices continued to weaken on the back of weak demand. Weekly Class A beef fell by 3.8% w/w to close at R31.21/kg, but still up 19.0% y/y. Contract Class A beef closed at R30.86/kg, down 3.3% w/w but still up 18.5% y/y. Class C beef eased lower by 0.3% w/w to close at R27.48/kg, but still up 25.3% y/y. Weaner calf prices eased lower due to a combination of weak demand and improved supplies. Weekly weaner calf prices traded at R20.00/kg live weight, down 3.4% w/w but still up 11.1% y/y.

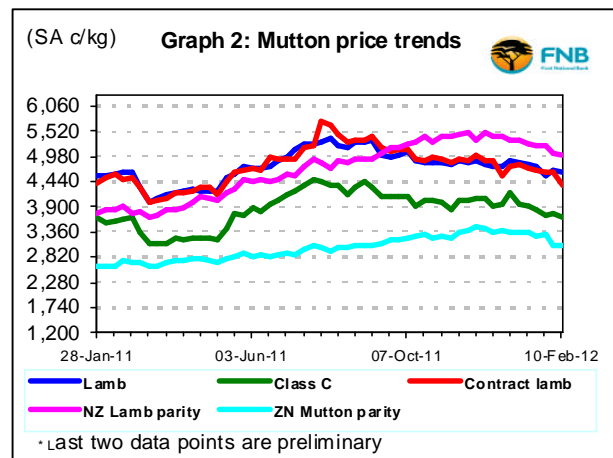
OUTLOOK

It is expected that the softer trend will continue for the short to medium term due to weak seasonal demand.



Mutton market trends (Graph 2)

- **International:** US Lamb Carcass Cutout ended mixed on moderate demand and offerings. Australian lamb prices bottomed out and strengthened on the back of reduced supplies. The market indicator ESTL finished up 3.1% w/w at AU\$5.02/kg cwt, but still down 11.6% y/y. In New Zealand (NZ), prices were down across the board on improved supplies. Lamb and mutton were down 1.8% w/w and 4.8% w/w respectively.
- **Domestic:** Lamb and mutton prices declined further due to seasonal weakness in demand. Weekly Class A lamb closed at R45.68/kg, down 4.2% w/w but almost unchanged y/y. Contract Class A lamb fell by 0.4% w/w at R46.43/kg, but still up 5.1% y/y.



Mutton prices were softer at R37.21/kg, down 3.6% w/w but still up 1.3% y/y. Weaner lambs lost momentum as demand slipped. Prices fell by 2.7% w/w and 3.5% to close at R21.57/kg live weight.

OUTLOOK

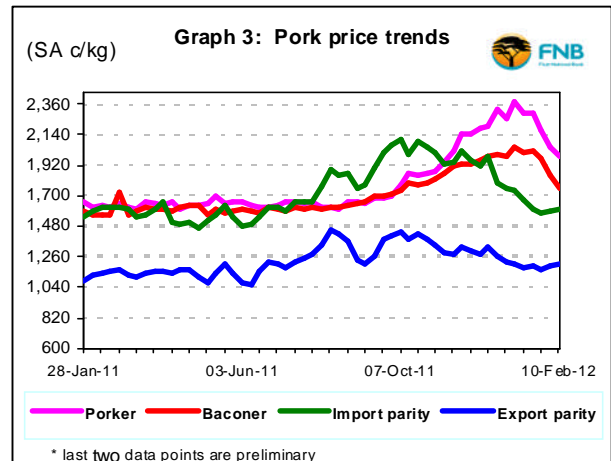
Prices are expected to remain under pressure in the short term due to limited demand.

Pork market trends (Graph 3)

- **International:** US pork prices reversed last week's gains and ended softer across the board. Weekly loin prices fell by 4.1% w/w and 3.2% y/y to close at \$94.37/cwt. Carcasses traded at \$84.14/cwt, down 1.2% w/w and 3.6% y/y. Ribs closed at \$144.63/cwt, down 0.9% w/w and 1.9% y/y. Ham prices fell by 1.0% w/w and 10.7% y/y at \$63.19/cwt.
- **Domestic:** Prices drifted lower on subdued demand. Weekly baconer prices closed at R20.22/kg, down 2.4% w/w but still up 24% y/y. Porker prices weakened further to close the week at R21.69/kg, down 5.3% w/w but still up 31% y/y. Weekly import parity prices fell by 1.8% w/w but still up 2% y/y.

OUTLOOK

Domestic prices are expected to retain the current momentum in the short term with limited upward potential in the medium term due to subdued demand.

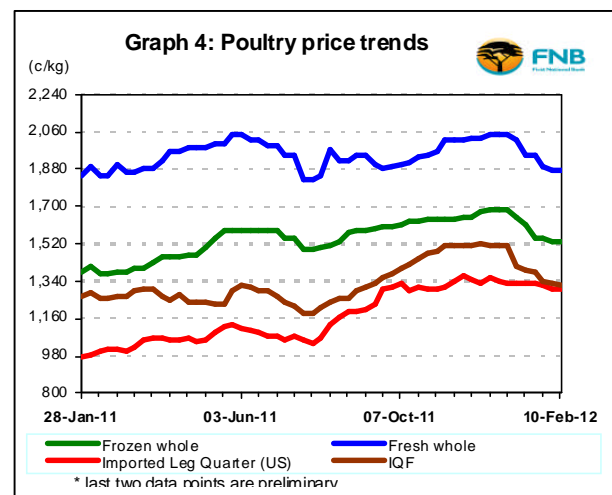


Poultry market trends (Graph 4)

- **International:** US domestic prices ended mixed on limited demand and moderate offerings. Demand at retail and food service was reportedly light to moderate. Weekly whole birds were slightly firmer, up 0.3% w/w and 6.7% y/y at 90.67c/lb. Breast cuts traded at 88.50c/lb, up 1.2% w/w and 7.9% y/y. Leg quarter prices were steady at 53.67c/lb, up 37.0% y/y. Weekly US broiler egg sets and chick placements for the week ending 21 Jan-2012 were reported down 5.0% y/y and 4.0% y/y respectively. The number available for marketing for the week ending 03 Mar-2012 was estimated at 149.1m head, down 5.9% y/y.
- **Domestic:** Prices continued to weaken due to subdued demand and abundant stocks. Weekly IQF prices fell by 3.3% w/w but still up 5.6% y/y at R13.41/kg. Medium frozen whole birds were steady at R15.46/kg, but still up 11.9% y/y. Medium fresh whole birds lost ground and fell by 2.6% w/w to close at R18.95/kg, but still up 2.5% y/y. Import parity prices for poultry (LQ) were again softer mainly on Rand strength. Weekly import parity prices fell by 0.8% w/w but still up 34.5% y/y. Meanwhile, producers are facing tight margins as broiler prices soften while sharply higher maize prices increase the cost of feed.

OUTLOOK

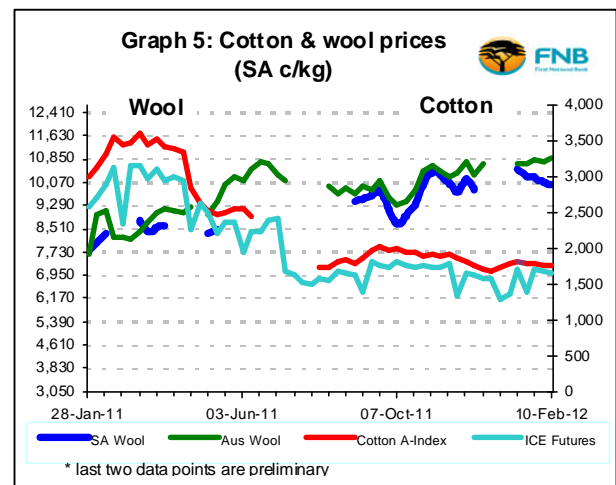
The market is expected to retain downward trend in the short term. However, higher feed costs due to rising maize prices will erode margins as broilers prices soften post December holidays. The stronger Rand might stimulate imports, adding further pressure on the market.



Producer prices for selected livestock commodities 27 January 2012	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	31.21	45.68	21.69	18.95
Open market: Class C / Baconer / Frozen whole birds(R/kg)	27.48	37.21	20.00	15.46
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	30.86	46.43	19.74	13.41
Import parity price (R/kg)	21.78	32.97	15.77	13.18
Weaner Calves / Feeder Lambs (R/kg)	20.00	21.57		

Wool and cotton market trends (Graph 5)

- International:** Cotton prices extended recent gains supported by positive economic news out of the US and China. Reduced area estimates in China and poor growing conditions in the US added to the firmer tone. Weekly prices advanced by 1.0% w/w but still down 46.5% y/y at 102.55 c/lb. Cotton futures on ICE reversed gains: Cotton for May-12 fell by 2.6% w/w at 96.09c/lb, Jul-12 was down 1.7% w/w at 96.56c/lb, Oct-12 was down 0.3% w/w at 96.56c/lb.
 Wool: In Australia, the wool market regained some ground and finished slightly firmer. The weekly market indicator EMI closed at Au\$11.94/kg, up 0.3% w/w but still down 0.1% y/y..
- Domestic:** The Wool market finished marginally lower for the week. The weekly market indicator Cape Wools Merino closed at R102.47/kg clean wool, up 5.1% and 11.0% compared to the current season's average and the opening sale respectively and 31.2% higher y/y. Major buyers were G Modiano SA with 3,002 bales (29.5%), Standard Wool SA with 2,542 bales (25.0%), Lempriere SA with 2,113 bales (20.7%) and Stucken & Co 1,306 bales (12.8%).

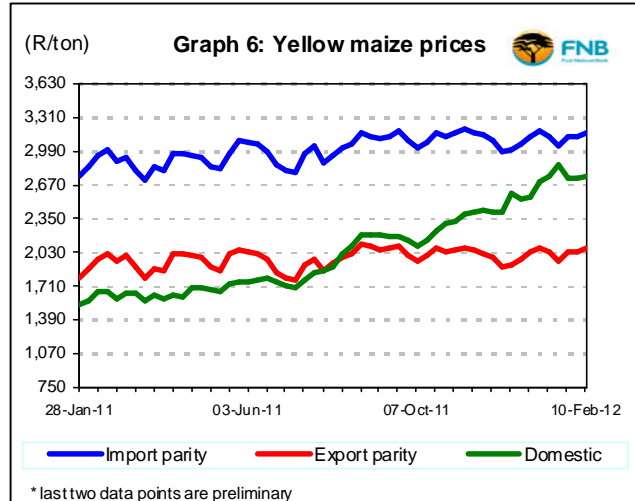


Fibre market prices 27 January 2012	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Apr-12 (AU\$/kg)	Australian futures Jun-12 (AU\$/kg)
Wool market indicator (R/kg)	102.47	107.60		
19 μ long length wool (R/kg)	120.31	118.16	13.34	13.09
21 μ long length wool (R/kg)	107.53	108.08	12.48	12.23
23 μ long length wool (R/kg)	-	105.46	11.85	11.59
	SA derived Cotton (R/kg)	New York A-Index (US\$/kg)	Cotton Futures May-12 (US\$/kg)	Cotton Futures Oct-12 (US\$/kg)
Cotton Prices (R/kg)	17.93	2.26	2.11	2.12

Cotton Futures on ICE.

Yellow maize market (Graph 6)

- International:** US yellow maize prices rallied on weather concerns in South America and improved export demand. The weaker US dollar and strength in energy markets added to the firmer tone. US weekly export sales came in above expectations at 1.4m tons. Weekly yellow maize prices increased by 5.5% w/w and 1.9% y/y. Maize futures on CME: Maize for May-12 increased by 5.0% w/w at \$255/t, Jul-12 was up 5.0% w/w at \$256/t, Sep-12 was up 3.2% w/w at \$234/t, Dec-12 was up 3.5% w/w at \$225/t.
- Domestic:** Local prices reversed the recent rally and ended modestly lower on Rand strength and indications of an increase in planted area. Weekly yellow maize prices fell by 4.4% w/w, closing at R2,736/t but still 77.6% y/y. First area estimate for 2012 came in at 2.63m ha, up 10.9% y/y. Weekly import sales for yellow maize were pegged at 10,957 tons and 92,842 tons for the season. Export sales for yellow maize came in at 2,555 tons and 683,505 tons for the season. Yellow futures on the JSE: Yellow maize for Mar-12 fell by 0.8% w/w (-R21/t), Jul-12 was up 3.2% w/w (+R62/t), Jul-12 was up 3.2% w/w (+R62/t).

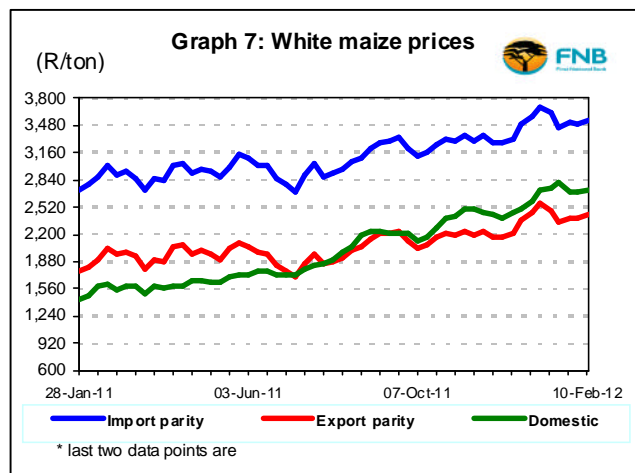

OUTLOOK

Prices are correcting lower in the short term, but upside potential remains given the depleted domestic stocks.

Yellow Maize Futures 27 January 2012	Mar-12	May-12	Jul-12	Sep-12	Dec-12			
CBOT (\$/t)	252.79	255.08	256.49	234.04	224.97			
JSE (R/t)	2,620	2,370	1,988	2,023	2,072			
CHICAGO CORN (R/t)	1,972	2,000	2,037	1,883	1,834			
Calculated Yellow Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Mar-12			May-12			Jul-12		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2,680	122	62	2,280	114	204	1,960	134	162
2,640	99	79	2,240	97	227	1,920	114	182
2,600	78	98	2,200	82	252	1,880	97	205

White maize market trends (Graph 7)

- International:** US white maize prices bottomed out and strengthened on weather concerns in South America, strength in energy markets and a weaker US dollar. Weekly average white maize prices increased by 3.2% w/w and closed at \$302/ton, but still up 20.4% y/y.
- Domestic:** White maize prices posted modest losses on the back of a stronger Rand. Weekly white maize prices fell by 4.4% w/w and closed at R2,695/ton, but still up 86.7% y/y. Area under white maize came in at 1.59m ha, up 12.1% y/y. Weekly white maize exports came in at 11,029 tons and 1.47m tons for the season. White maize import sales came in at 1,542 tons and 59,863 tons for the season.



White maize futures on the JSE: White maize for Mar-12 fell by 1.3% w/w (-R34/t), Jul-12 was down 2.70% w/w (+R53/t), Sep-12 up 2.91% w/w (+R 58/t).

OUTLOOK

Prices are correcting lower in the short term, but upside potential remains given the depleted domestic carryover stocks.

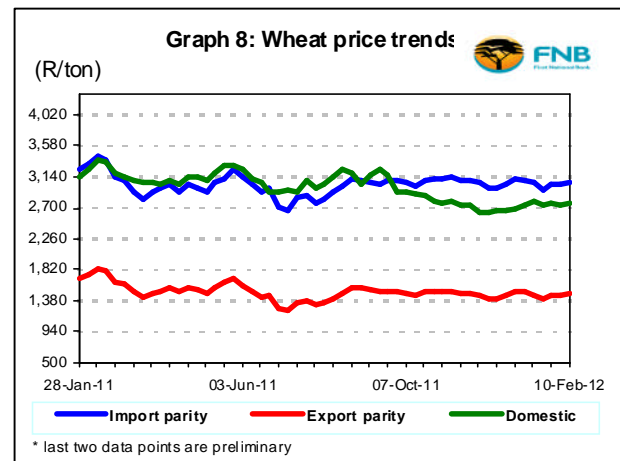
White Maize Futures 27 January 2012	Mar-12	May-12	Jul-12	Sep-12	Dec-12			
JSE (R/t) WM ₁	2,608	2,405	2,018	2,053	2,093			
Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Mar-12			May-12			Jul-12		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2,680	116	44	2,300	112	217	2,000	146	164
2,640	91	59	2,260	95	240	1,960	126	184
2,600	70	78	2,220	81	266	1,920	108	206

Wheat market trends (Graph 8)

- International:** US Wheat prices posted modest gains on spillover strength from the maize market and bullish export estimates. Weather developments in the Black Sea region and South America are critical for market direction for the short to medium term. Futures on major exchanges: Kansas futures(KCBT): Wheat for May-12 was up 4.3% w/w at \$260/t, Jul-12 was up 4.0% w/w at \$263/t, Sep-12 was up 3.6% w/w at \$268/t. Wheat futures on Chicago: Wheat for May-12 was up 5.3% w/w at \$243/t, Jul-12 was up 4.8% w/w at \$248/t, Sep-12 was up 4.6% w/w at \$254/t.
- Domestic:** Wheat prices ended firmer on spill over strength in CBOT despite a stronger Rand. Weekly wheat prices increased by 0.3% w/w and 4.9% y/y to close at R2,752/t. Wheat import parity prices increased on the back of higher international prices. Wheat imports for the 2011/12 marketing advanced to 511,046 tons and exports to 69,247 tons. Wheat futures on JSE ended firmer: Wheat for Mar-12 advanced by 1.4% w/w (+R39/t), May-12 was up 2.0% w/w (+R55/t), Jul-12 was up 1.1% w/w (+R31/t).

OUTLOOK

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



Wheat Futures 27 January 2012	Mar-12	May-12	Jul-12	Sep-12	Dec-12
KCBT (\$/t)	260.42	263.18	267.77	267.77	274.66
JSE (R/t)	2,794	2,846	2,895	-	-

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

Mar-12			May-12			Jul-12		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2,800	61	55	2,840	117	123	2,880	152	147
2,760	42	76	2,800	97	143	2,840	131	166
2,720	28	102	2,760	80	166	2,800	113	188

Oilseed market trends (Graph 9)

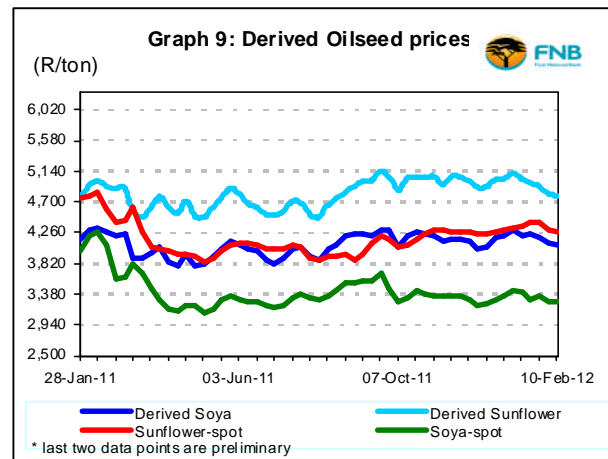
- International:** US prices moved sideways across the soybean complex. Weather developments in South America will be closely monitored as further adverse conditions may reduce harvests. Prices in the soybean complex: Soybean prices advanced by 2.7% w/w but still down 10.8% y/y at \$475/t. Soymeal and Soyoil were steady, closing at \$310/t and 50c/lb respectively.

Futures in the Soybean complex (CBOT): Soybean for May-12 was up 2.8% w/w at \$451/t, Jul-12 was up 2.8% w/w at \$455/t. Soymeal for Jul-12 was up 3.2% w/w at \$326.40/t, Sep-12 was up 3.3% w/w at \$324.60/t, Dec-12 was up 3.9% w/w at \$320.60/t. Soyoil for Jul-12 was up 2.3% w/w at 52.41c/lb, Sep-12 was up 2.4% w/w at 52.63c/lb, Dec-12 was up 2.6% w/w at 52.86c/lb.

- Domestic:** Oilseeds traded on JSE were again mixed. Soybean prices rebounded on spillover strength in CBOT prices despite a stronger Rand. Weekly soybeans prices increased by 1.3% w/w to close at R3,354/t. Sunflower prices retreated to close at R4,393/t, down 7.9% y/y. Sunflower futures on the JSE: Sunflower for May-12 fell by 1.6% w/w (-R70/t), Jul-12 was down 0.7% w/w (-R33/t), Sep-12 was up 1.2% w/w (+R54/t). Soybean futures: Soybean for May-12 fell by 0.3% w/w (-R12/t), Jul-12 was down 0.2% w/w (-R8/t), Sep-12 was down 0.7% w/w (-R24/t).

OUTLOOK

It is expected that soybean prices will remain under pressure and weaken in the short term.



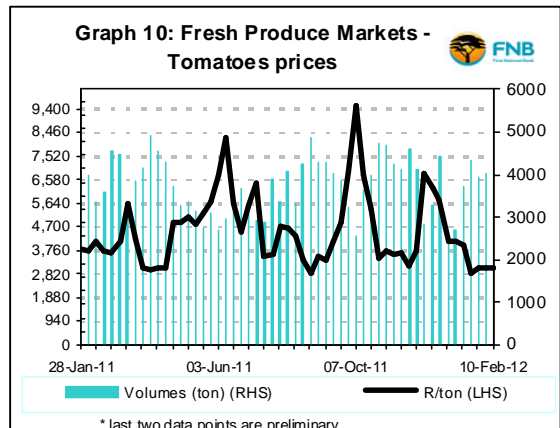
Oilseeds Futures 27 January 2012	Mar-12	May-12	Jul-12	Sep-12	Dec-12
CBOT Soybeans (US \$/t)	447.91	451.36	454.96	451.29	-
CBOT Soya oil (US c/lb)	51.59	52.02	52.41	52.63	52.86
CBOT Soya cake meal (US\$/t)	322.20	323.90	326.40	324.60	322.00
JSE Sunflower seed (R/t)	4,380	4,330	4,407	4,384	-
JSE Soybean seed (R/t)	3,380	3,418	3,460	3,532	-

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

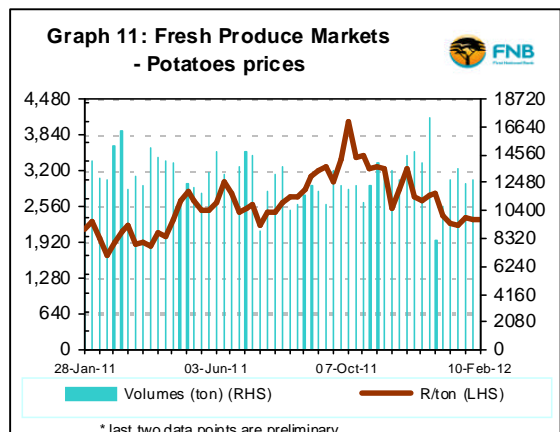
Mar-12			May-12			Jul-12		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
4,460	153	73	4,440	261	151	4,480	391	318
4,420	129	89	4,400	238	168	4,440	369	336
4,380	107	107	4,360	215	185	4,400	347	354

Vegetable Market Trends (Graphs 10 to 14)
Tomatoes

Tomato prices reversed losses and increased sharply due to limited supplies on markets. Prices rose by 8.9% w/w but still down 19.2% y/y to close at R3,102/ton. Weekly volumes traded fell by 9.2% but still up 2.9% y/y at 3,917 tons. Prices are however expected to soften somewhat in the short term on weak demand.

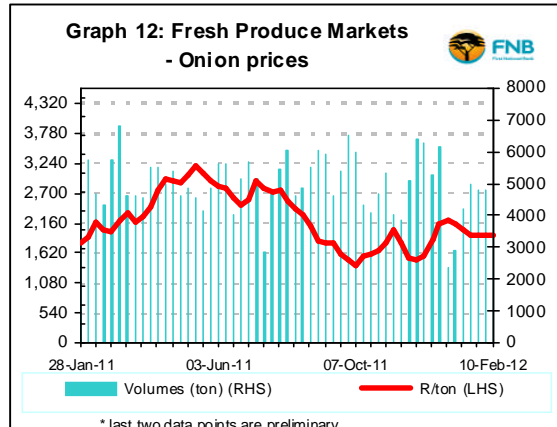

Potatoes

Potato prices posted modest gains on limited supplies across most markets. Prices were up 6.7% w/w and 9.3% y/y, closing at R2,386/ton. Volumes traded were down 8.1% w/w and 0.4% y/y, coming in at 12,386 tons. It is expected that prices trade sideways with limited upward potential.



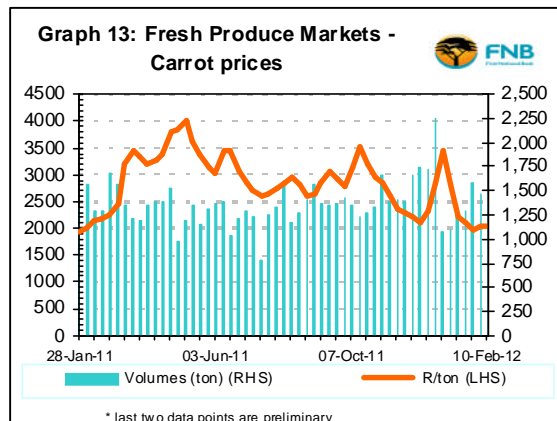
Onions

Onion prices ended softer due to weak uptake on markets. Prices decreased to R1,933/ton, down 0.1% w/w but still up 6.6% y/y. Volumes traded were pegged at 4,807 tons, down 3.4% w/w but up 0.7% y/y. Prices are however expected to ease somewhat in the short term with limited upside potential due to weak uptake.



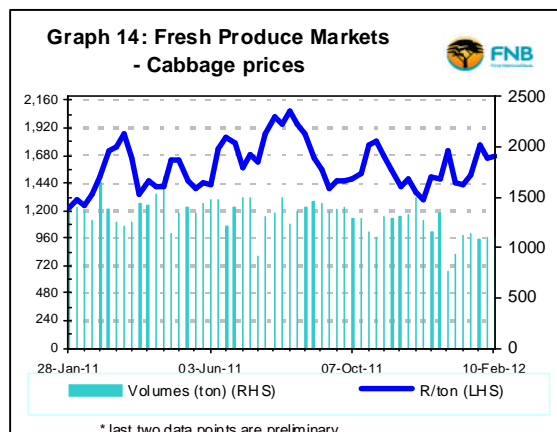
Carrots

Carrot prices decreased sharply due to increased supplies on markets. Prices were down 6.5% w/w but up 2.8% y/y closing the week at R1,984/ton. Volumes traded reached 1,592 tons, up 22.8% w/w and 19.6% y/y. Prices are expected to firm slightly in the short due to limited supplies on markets.



Cabbages

Cabbage prices increased sharply due to limited supplies on markets. Prices were up 17.7% w/w and 44.6% y/y closing at R1,778/ton. Volumes traded reached 1,069 tons, down 6.4% w/w and 22.6% y/y. Prices are expected to soften slightly in the short term.



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

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

Week ending 27 January 2012	Average Price (R/t)	w/w	Y/y	Total Volume (t)	w/w	Y/y
Tomato	3,102	8.9%	-19.2%	3917	-9.2%	2.9%
Potato	2,386	6.7%	9.3%	12386	-8.1%	-0.4%
Onion	1,933	-0.1%	6.6%	4807	-3.4%	0.7%
Carrot	1,984	-6.5%	2.8%	1592	22.8%	19.6%
Cabbage	1,778	17.7%	44.6%	1069	-6.4%	-22.6%

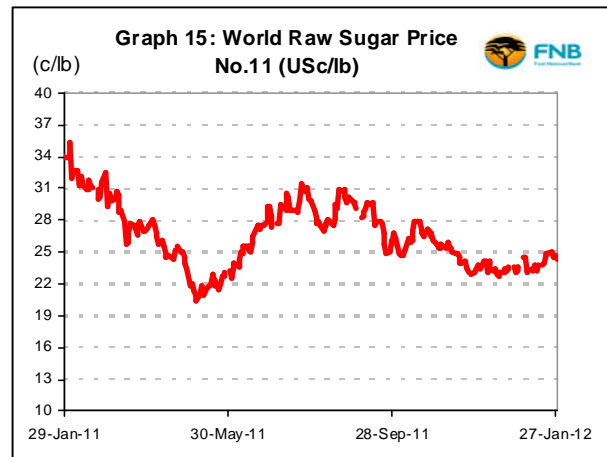
* Daily prices also available at <https://www.fnbagricomms.co.za>

Sugar market trends (Graph 15)

- International:** World raw sugar prices extended gains on the back of supportive US dollar. Meanwhile, the supply outlook remains bearish with good crops for Russia and Europe while India reportedly back in the export market. The exception is Brazil with unfavourable weather conditions expected to reduce output. Weekly raw sugar prices increased by 1.3% w/w but still down 25.5% y/y, closing at 24.66c/lb.

Raw Sugar futures on ICE (US c/lb): Raw sugar for May-12 fell by 2.2% w/w at 23.67c/lb, Jul-12 was down 1.6% w/w at 23.20c/lb, Mar-13 was down 0.2% w/w at 24.16c/lb, Jul-13 was down 0.3% w/w at 23.48c/lb

- Domestic:** On the local market, the monthly 2011/12 RV (Recoverable Value) price a measure of the value of sugar and molasses that will be recovered from the sugarcane delivered by the individual grower during December 2011, dropped by R1.83/t m/m and came in at R2,993.58/t. According to the Cane Growers Association report, the decrease in price is due to an increase of 5,655 ton in sugar production (1,835,346 tons vs. 1,829,691 tons) and the reduction in the sugar: RV ratio (93.59% vs. 94.05%). The Association still projects the RV price for the season to reach R3,019.00/ton.



ICE Sugar Futures 27 January 2012	May-12	July-12	Oct-12	Mar-13	May-13
Sugar No.11 (US c/lb)	23.67	23.20	23.57	24.16	23.79
% Change w/w	-2.2%	-1.6%	-0.9%	-0.2%	-0.3%

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