


28 September 2012
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Beef market trends (Graph 1)

International:

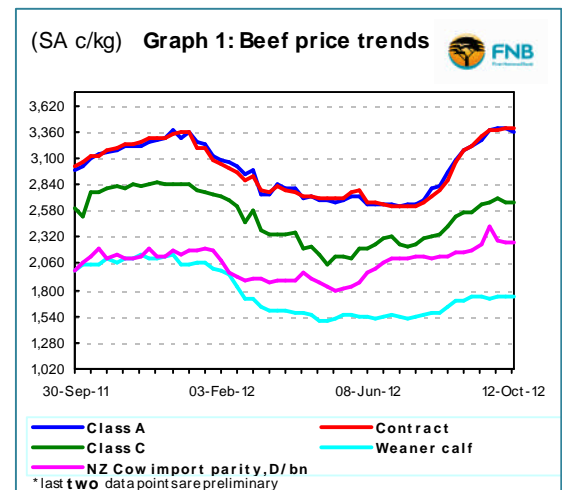
- US domestic manufacturing beef prices continued to weaken under pressure due to weak seasonal demand and increased supplies. Market activity on imported beef remained subdued due to the softer domestic market and a weaker US dollar.
- Weekly wholesale cut-out values reversed last week's gains and declined on moderate demand and heavy supplies. Choice beef prices fell by 1.2% w/w but up 4.7% y/y to close at US\$191.77/cwt. Select beef prices were down 1.6% w/w but up 6.9% y/y at US\$180.77/cwt.
- In the cattle market, the CME Feeder Cattle Index finished up 0.5% w/w and 7.2% y/y at US\$143.05/cwt. Weekly cattle slaughter totalled 651,000 head, up 4.0% w/w but down 4.1% y/y. Year to date slaughter number stood at 24.3m head, down 4.1% y/y.
- USDA's cattle on feed report showed a 0.6% y/y drop in US feedlot standings at the beginning of Sep-2012. The August placements of cattle into large feedlots were reported down 10.9% y/y, due to the decline in placements as a result of record high feed costs.
- In Australia, the benchmark Eastern Young Cattle Indicator (EYCI) finished the week at AU\$3.60/kg cwt, down 0.6% w/w and 8.4% y/y. The export market remains subdued, with no relief in sight.

Domestic:

- The beef market extended gains despite a short trading week. Prices were up across most categories with class C beef gaining 1.2% w/w and 4.0% y/y at R27.03/kg.
- Weekly Class A beef prices gained 0.1% w/w and were 13.6% higher y/y at R33.87/kg. Contract Class A beef was 0.2% higher w/w and 11.8% y/y at R33.80/kg.

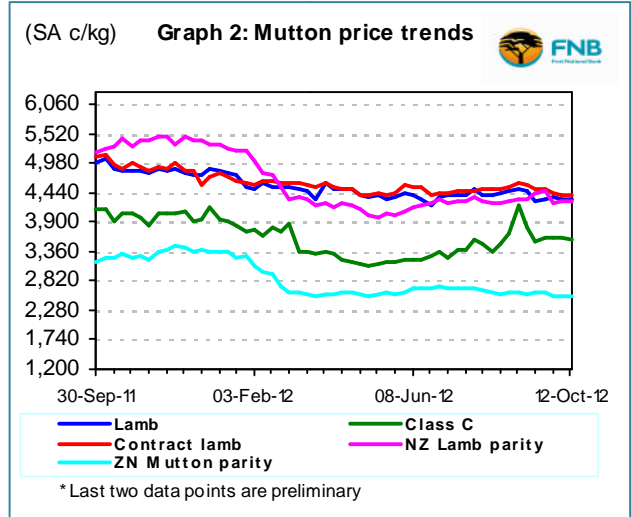
OUTLOOK

The momentum in the beef market will continue in the short to medium term on supply tightness and good demand.



Mutton market trends (Graph 2)
International:

- Australian lamb market remained under pressure due to increased seasonal supplies and subdued export markets. Tough economic conditions in major global markets resulted in a slowdown in exports. The ESTLI indicator finished at AU\$3.88/kg cwt, down 0.3% w/w and 23.3% y/y.
- In New Zealand, producer prices posted marginal gains across most categories. Weekly lamb prices closed at NZ\$100.1/head, up 1.5% w/w but still 23% lower y/y. Lamb processors were reportedly on the hunt for lambs in anticipation for the lucrative Christmas chilled trade into the UK. While prices for frozen lamb legs have fallen by around 40% over the past 12 months the chilled market has held on better.
- US Lamb Carcass Cut-out continued to weaken, closing down 0.4% w/w and 26.0% y/y at US\$279.65/cwt. Slaughter numbers were steady at 41,000 head, which is 13.9% higher y/y. Year to date slaughter number was 1.48m, down 1.1% y/y.

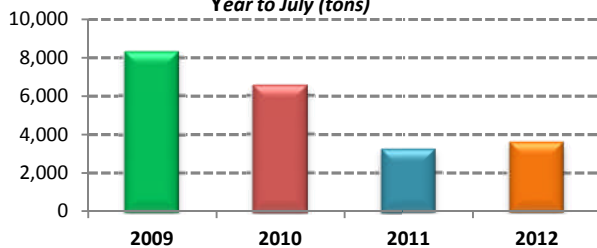

Domestic:

- On the local market, prices ended steady to lower due to a shorter trading week. Weekly class A lamb prices were firmer for the week at R43.54/kg, but still 13.2% lower y/y.
- Mutton prices advanced by 0.5% w/w but down 12.1% y/y at R36.26/kg. Contract Class A lamb fell by 1.8% w/w and 13.1% y/y to close at R44.42/kg.
- Weaner lamb market remained under pressure and declined further due to limited demand. Weekly weaner lamb prices fell by 0.5% w/w and 17.9% y/y at R22.88/kg live weight.

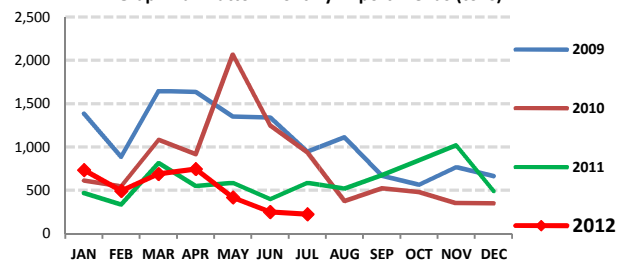
OUTLOOK

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.

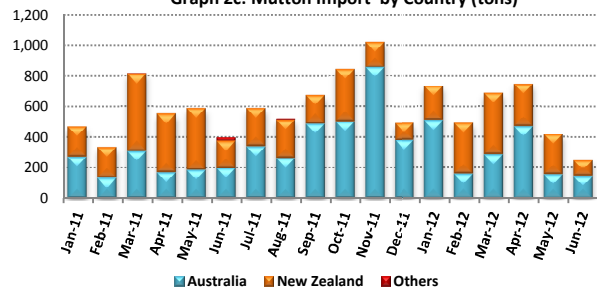
Graph 2a: Mutton Import Trends
Year to July (tons)



Graph 2b: Mutton Monthly Import Trends (tons)

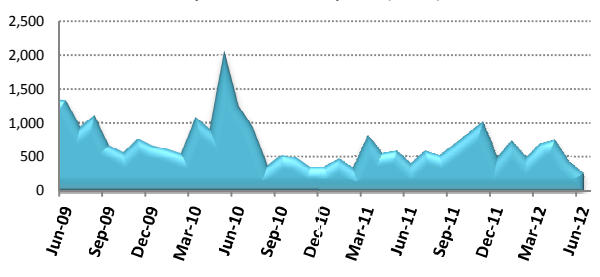


Graph 2c: Mutton Import by Country (tons)



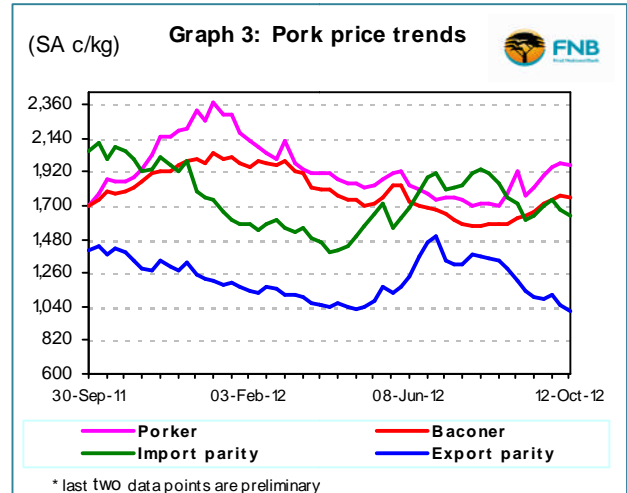
Source: SARS, Own Calculations

Graph 2d: Mutton Imports (TONS)



Pork market trends (Graph 3)
International:

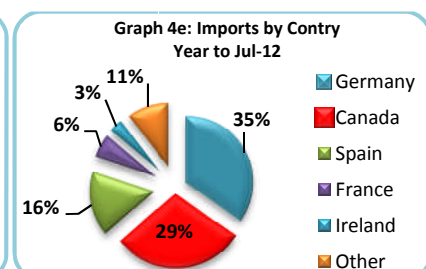
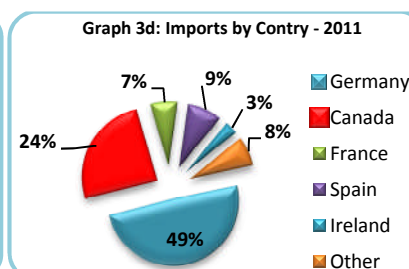
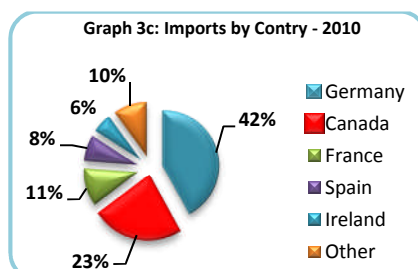
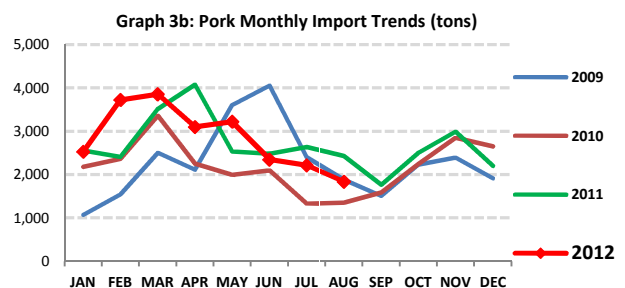
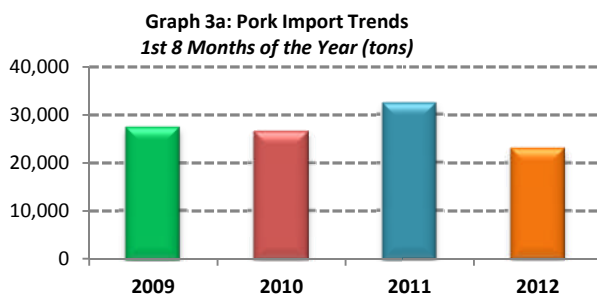
- The US domestic pork market posted slight gains despite increased slaughtering due to improved demand. Weekly carcass prices closed at US\$79.41/cwt, up 3.0% w/w but down 18.8% y/y. Loins gained 2.8% w/w at US\$88.75/cwt, but down 22.6% y/y.
- Rib prices advanced by 2.4% w/w but were 9.3% lower y/y at US\$117.43/cwt. Ham prices traded at US\$68.08/cwt, up 3.0% w/w but down 21.7% 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.
- 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 continued to post strong gains on the back of tight supplies across markets. Weekly porker prices closed at R19.52/kg, up 3.1% w/w and 14.9% y/y. Baconers gained 2.0% w/w and 2.3% y/y to close at R17.44/kg.
- Import parity prices continued to strengthen mainly on better international prices. Weekly import parity prices increased by 1.9% w/w but still down 15.9% y/y.

OUTLOOK

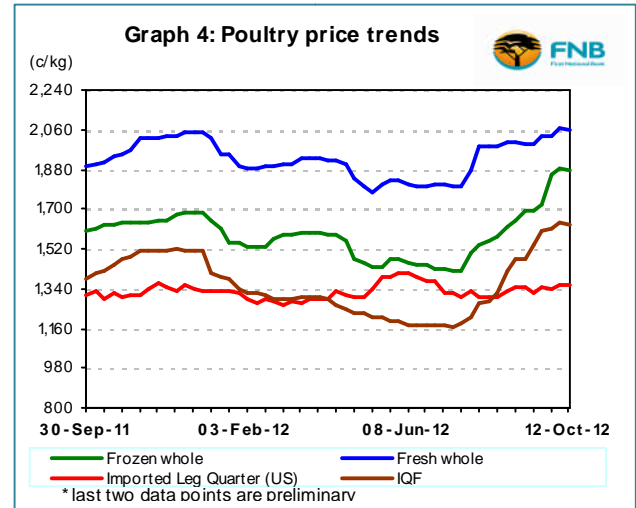
Prices are expected to trade firmer in the short term with some upward potential in the medium term on moderation in supplies.



Source: SAPPO, SARS, Own Calculations

Poultry market trends (Graph 4)
International:

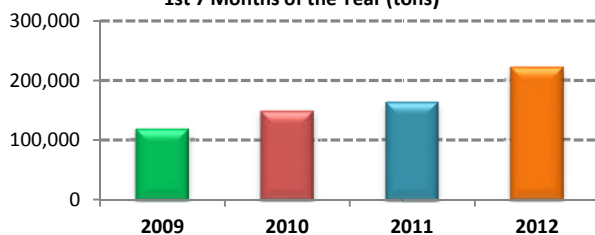
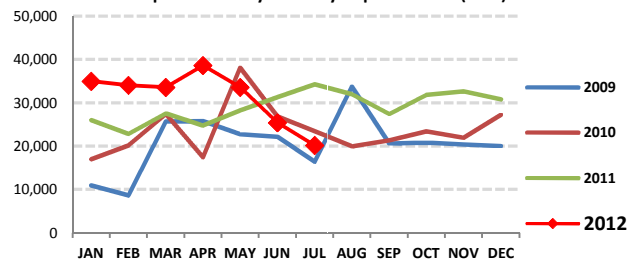
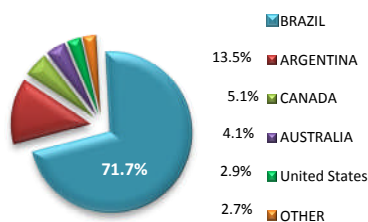
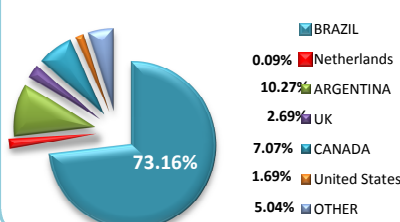
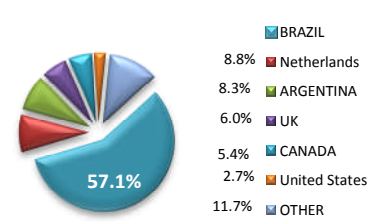
- US domestic prices ended mixed with whole birds retaining the sideways trend. Weekly whole bird prices were steady at US\$95.75c/lb, up 7.6% y/y. Breast cuts gained 0.2% w/w and 22.5% y/y to close at US\$102.67c/lb. Weekly leg quarter prices fell by 0.3% w/w and 0.9% y/y. Wings eased 0.2% lower w/w but still 68.7% higher y/y at US\$182.17c/lb.
- US broiler egg sets and chick placements for the week ended 22 Sep-2012 were reported up 1.0% y/y respectively. The number of broilers available for marketing for the week ending 3 Nov-2012 was estimated at 147.1m head, down 0.1% w/w and 3.2% y/y.
- Broiler production estimate was 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:

- The market continued to post modest gains on moderation in supplies. Weekly IQF prices gained 0.4% w/w and were 16.8% higher y/y at R16.11/kg. Frozen whole birds increased by 7.7% w/w and 15.9% y/y to close at R18.54/kg. In the case of fresh whole birds, prices steadied at R20.35/kg but were up by 7.6% y/y.
- Import parity prices fell due to the combined effect lower international prices and renewed strength in the Rand/US dollar exchange rate. Weekly import parity prices fell by 0.6% w/w but up 1.8% y/y.

OUTLOOK

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

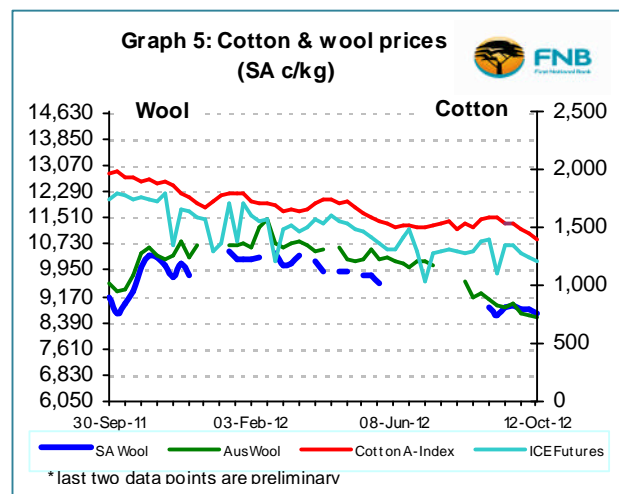
Graph 4a: Poultry Import Trends
 1st 7 Months of the Year (tons)

Graph 4b: Poultry Monthly Import Trends (tons)

Graph 4c: Imports by Country - 2009

Graph 4d: Imports by Country - 2010

Graph 4e: Imports by Country - 2011


Source: SARS, Own Calculations

Producer prices for selected livestock commodities 28 September 2012	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	33.87	43.54	19.52	20.35
Open market: Class C / Baconer / Frozen whole birds(R/kg)	27.03	36.26	18.00	18.54
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	33.80	44.42	17.44	16.11
Import parity price (R/kg)	22.81	25.46	17.33	13.36
Weaner Calves / Feeder Lambs (R/kg)	17.30	22.88		

Wool and cotton market trends (Graph 5)
International:

- Cotton prices posted modest losses on harvest pressure in the northern hemisphere and higher world supplies. Softer demand conditions added to the weaker tone, with still negative economic news out of China and Europe.
- However, the weaker US dollar and stronger US export sales helped limit losses.
- The weekly cotton A index fell by 3.7% w/w and 27.3% y/y and settled at US81.64c/lb.
- Cotton futures on the InterContinental Exchange (ICE): Cotton for Dec-12 fell by 3.5% w/w at US70.65c/lb, and Mar-13 fell by 3.4% w/w at US71.68c/lb.
- Wool: Australian wool market extended recent losses with the Eastern Market Indicator falling by 0.6% w/w and 21.2% y/y to close at AU\$9.40/kg clean wool. Volumes offered were pegged at 35,633 bales with sales of 92.6%.


Domestic:

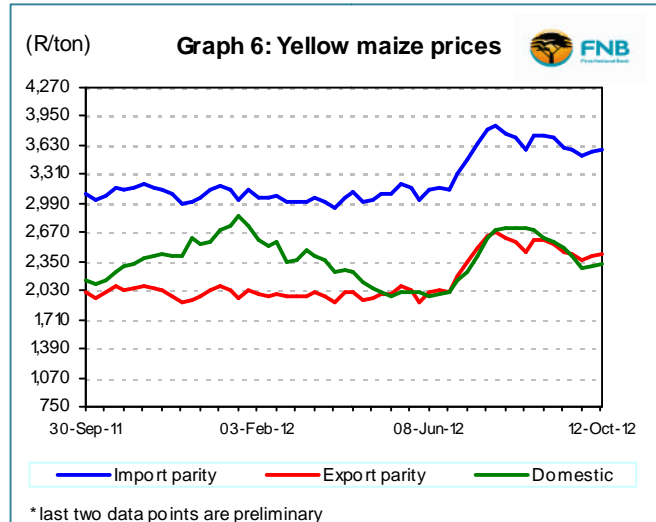
- The wool market softened slightly with weekly market indicator Cape Wools Merino closing down by 0.8% w/w and 3.9% y/y to close at R88.09/kg clean wool. This is however 0.2% and 0.8% higher than the new season's average and the opening sale respectively.
- Major buyers were: Standard Wool SA with 1,235 bales (21.7%), Stucken & Co with 1,213 bales (21.3%), G Modiano SA with 1,150 bales (20.2%), and Lempriere SA with 1,120 bales (19.7%).

Fibre market prices 28 September 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)	88.09	86.83		
19 μ long length wool (R/kg)	96.09	93.38	9.95	9.15
21 μ long length wool (R/kg)	88.44	87.83	9.65	8.85
23 μ long length wool (R/kg)	85.70	84.82	8.55	7.75
	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)	14.77	1.80	1.55	1.58

Cotton Futures on ICE;

Yellow maize market (Graph 6)
International:

- US prices continued to weaken on harvest pressure and weak export sales.
- USDA's grain stocks report was bullish for prices with the 2011/12 ending stocks coming in at 25.1m tons, about 3.4m below market expectations and nearly 5.1m below last month's projection.
- Meanwhile, the International Grains Council (IGC) now expects world production to fall to 833m tons due to reductions in the EU (-4.9m tons). This is 5% lower y/y. However, world supplies are expected to be replenished by southern hemisphere harvests during 2013 should weather permit.
- Futures on CME: maize for Dec-12 gained 1.1% w/w at US\$298/t, Mar-13 was up 1.1% w/w at US\$299/t, May-13 was up 0.9% w/w at US\$298/t, and Jul-13 was up 0.9% w/w at US\$295/t.

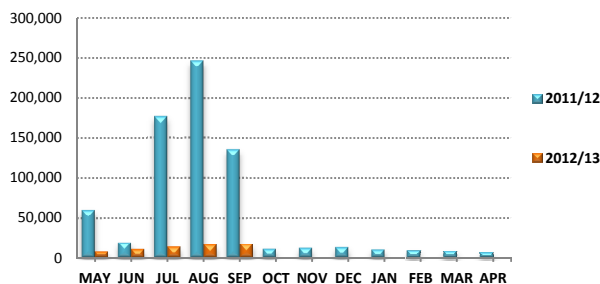

Domestic:

- Yellow maize prices posted sharp losses on the back of bearish domestic harvest and spill over pressure from CBOT. Weekly yellow maize prices fell by 5.9% w/w but still 6.2% higher y/y at R2,273 per ton.
- Yellow maize import parity prices continued to weaken, falling by 1.9% w/w but still 13.7% higher y/y.
- Export sales for the week ended 21 Sep-2012 were pegged at 17,149 tons and 72,905 tons for the 2012/13 marketing season. Total maize (YMZ and WMZ) sales for the season reached 779,011 tons.
- Yellow maize futures on the JSE: SAFEX: Yellow maize for Dec-12 fell by 3.8% w/w (-R91/t), Mar-13 was down 3.3%w/w (-R78/t), and Jul-13 was down 4.6% w/w (-R99/t).

OUTLOOK

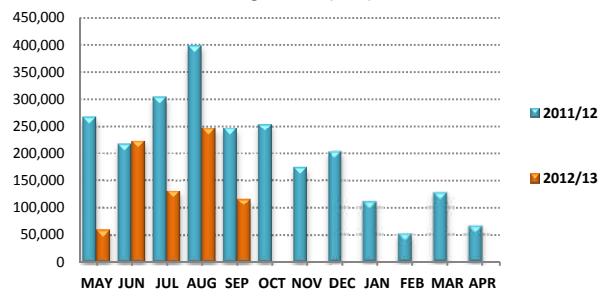
Medium to long term price outlook remains bullish given the tightening world supplies following the recent adverse weather conditions across major producing regions. The domestic supply situation has however turned bearish given the improved harvest outlook.

Graph 6a: Monthly Yellow Maize Export Trends
Marketing Season, (tons)



Source: SAGIS

Graph 6b: Total SA Maize Export Trends
Marketing Season, (tons)



Yellow Maize Futures 28 September 2012	Dec-12	Mar-13	May-13	Jul-13	Sep-13
CBOT (\$/t)	299.20	298.02	298.02	295.11	259.65
JSE (R/t)	2,289	2,306	2,100	2,051	-
CHICAGO CORN (R/t)	2,318	2,352	-	2,362	2,143

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
2,320	106	75	2,340	164	130	2,140	186	146
2,280	85	94	2,300	142	148	2,100	164	164
2,240	66	115	2,260	122	168	2,060	143	183

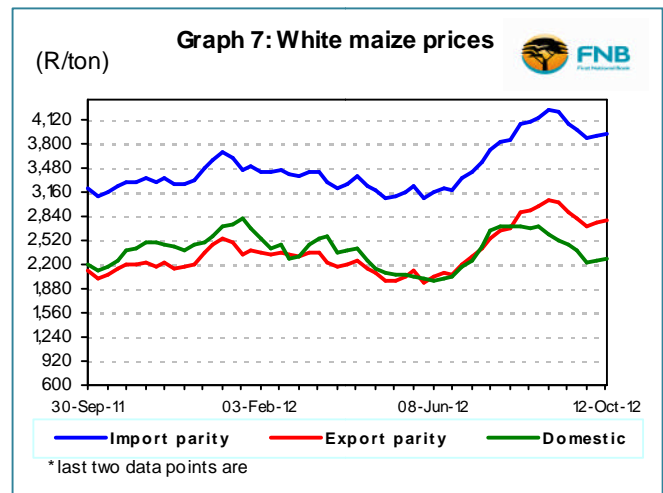
White maize market trends (Graph 7)

International:

- US white maize prices continued to weaken on harvest pressure despite reduced production estimates and bullish stocks estimates.
- Weekly average white maize prices fell by 2.8% w/w but still 22.9% higher y/y at US\$332 per ton.

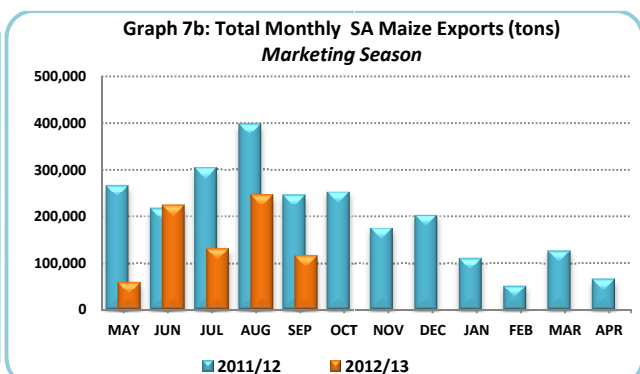
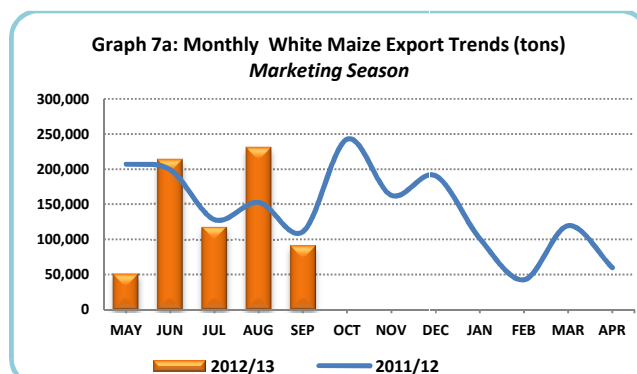
Domestic:

- White maize prices fell sharply in response to the higher domestic harvest and spill over weakness from CBOT.
- Weekly white maize prices fell by 6.2% w/w and closed at R2,238 per ton, which is still 1.5% higher y/y.
- Final harvest estimate was declared at 11.5m tons, up 2.7% from the previous estimate. The total area under maize was 2.7m hectares. The production estimate of white maize was set 6.51m tons, up 2.6% from the previous estimate.
- White maize exports for the week ended 21 Sep-2012 came in at 36,610 tons and 72,905 tons for the season. WMAZ maize futures on the JSE: White maize for Dec-12 fell by 5.2% w/w (-R125/t), Mar-13 fell by 4.6% w/w (-R110/t), and Jul-13 was down 5.0% w/w (-R108/t).



OUTLOOK

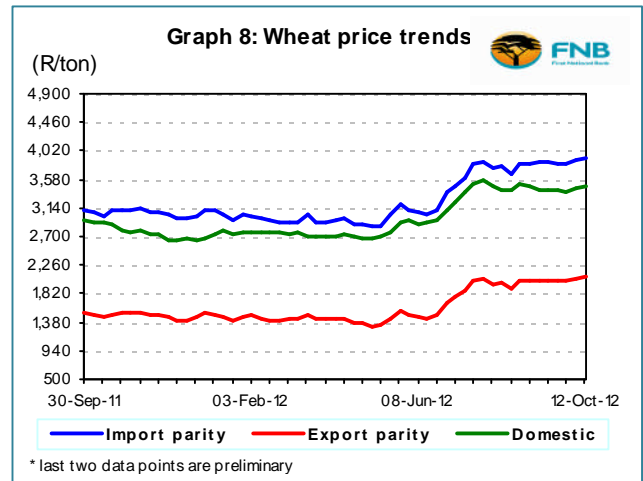
Medium to long term price outlook remains bullish given the tightening world supplies following the recent adverse weather conditions in major producing regions. The domestic supply situation has however turned bearish given the improved harvest outlook.



White Maize Futures 28 September 2012	Dec-12	Mar-13	May-13	Jul-13	Sep-13			
JSE (R/t) WM ₁	2,267	2,291	2,095	2,062	2,150			
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
2,300	114	81	2,340	177	128	2,140	192	147
2,260	92	99	2,300	155	146	2,100	169	164
2,220	73	120	2,260	134	165	2,060	148	183

Wheat market trends (Graph 8)
International:

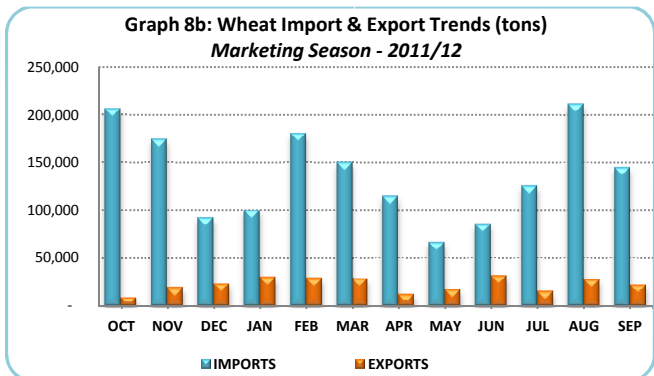
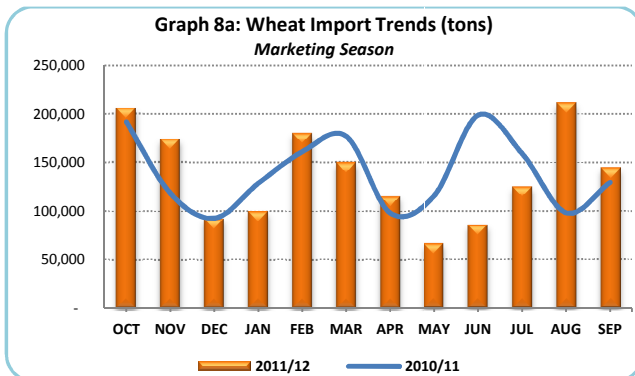
- Wheat prices trended firmer with the weaker US dollar being supportive. However, spill over pressure from other grains, weak export sales and favourable planting weather helped limit gains.
- The USDA pegged total wheat production at 61.8m tons compared with market expectations for 61.7m tons. Spring wheat production came in at 14.7m tons, which is 0.9m above market expectations.
- The IGC's world production estimate for 2012/13 was pegged at 657m tons, down 6.0% y/y. Ending stocks were estimated at 17m tons, down 5m tons.
- Wheat futures on KCBT: wheat for Mar-13 gained 0.2% w/w at US\$345/t, May-13 was unchanged at US\$344/t, and Jul-13 fell by 0.7% w/w at US\$329/t.
- CME futures: Wheat for Mar-13 gained 0.5% w/w at US\$335/t, May-13 was up 0.1% w/w at US\$333/t, while the Jul-13 fell by 0.5% w/w at US\$319/t.


Domestic:

- Wheat prices eased marginally lower on renewed Rand strength. Weekly wheat prices fell by 0.9% w/w but were 11.8% higher y/y at R3,388 per ton. Weekly import parity prices continued to soften, closing 0.2% lower w/w but still 23.1% higher y/y.
- 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).
- Weekly wheat import sales for the week ended 21 Sep-2012 came in 36,458 tons, with the cumulative total for the 2011/12 marketing season reaching 1.65m tons.
- Wheat futures on the JSE: Wheat for Dec-12 fell by 3.0% w/w (-R106/t), Mar-13 fell by 2.7% w/w (-R96/t).

OUTLOOK

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



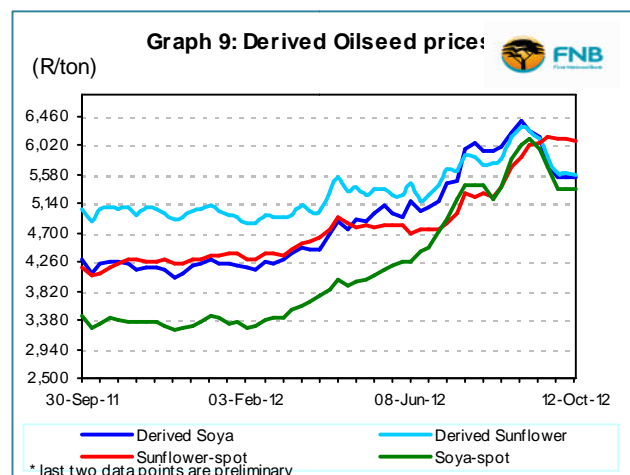
Source: SAGIS; Aug-12 -preliminary

Wheat Futures 28 September 2012	Dec-12	Mar-13	May-13	Jul-13	Sep-13				
KCBT (\$/t)	340.80	345.21	343.83	328.67	328.67				
JSE (R/t)	3,412	3,504	-	3,600	-				
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
	3,440	106	78	3,540	223	187	3,660	3,440	106
	3,400	85	97	3,500	201	205	3,620	3,400	85
	3,360	66	118	3,460	181	225	3,580	3,360	66

Oilseed market trends (Graph 9)

International:

- Prices were down across the soybean complex due to harvest pressure despite a strong export demand. US soybean harvest is reportedly progressing well with yields above market expectations.
- In Brazil and Argentina, weather conditions are favourable which will aid the planting process. USDA quarterly stocks report showed old crop soybeans at 4.6m tons, which was 1m tons above what the market had expected. However, old crop soybeans were down 21.0% y/y.
- Futures in the soybean complex: Soybeans for Jan-13 fell by 1.2% w/w at US\$589/t, Mar-13 was down 1.0% w/w at US\$575/t, and May-13 was down 0.3% w/w at US\$560/t.
- Soymeal futures: Dec-12 soymeal gained 0.2% w/w at US\$537/t, Mar-13 was up 0.7% w/w at US\$516/t, and May-13 was up 1.5% w/w at US\$493/t.
- Soyoil futures: Soyoil for Dec-12 fell by 4.0% w/w at US\$2.66c/lb, Mar-13 fell by 3.7% w/w at US\$3.42c/lb, and May-13 was down 3.2% w/w at US\$3.70c/lb.



Domestic:

- Oilseeds traded on the JSE ended mixed with soybeans extending losses on spill over pressure from the international market.
- Weekly soybean prices fell sharply by 6.1% w/w to close at R5,352 per ton, but still 54.9% higher y/y.
- Sunflower reversed course and closed at R6,099 per ton, down 0.9% w/w but still 46.4% higher y/y.

- The latest production estimates came in unchanged for both sunflower and soybeans. The sunflower crop was seen at 527,110 tons from 453,350 ha. Soybean harvest was unchanged at 646,950 tons from 472,000 ha.
- In the futures market (JSE): Sunflower for Dec-12 gained 0.9% w/w (+R54/t), Mar-13 was down 2.7% w/w (-R165/t), May-13 was down 1.3% w/w (-R65/t). Soybeans for Dec-12 fell by 6.9% w/w (-R418/t), May-13 was down 4.8% w/w (-R230/t).

OUTLOOK

Prices are expected to remain under pressure in the short term and move sideways.

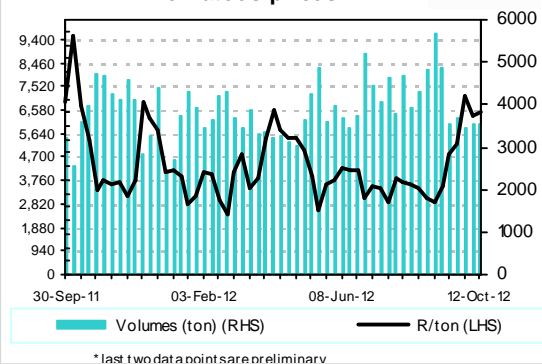
Oilseeds Futures 28 September 2012	Dec-12	Mar-13	May-13	Jul-13	Sep-13
CBOT Soybeans (US \$/t)	-	574.74	559.02	549.91	514.04
CBOT Soya oil (US c/lb)	52.66	53.42	53.70	53.88	53.53
CBOT Soya cake meal (US\$/t)	536.72	516.32	492.73	479.95	446.99
JSE Sunflower seed (R/t)	6,070	5,480	4,860	5,038	5,120
JSE Soybean seed (R/t)	5,320	4,910	4,466	-	-

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
6,120	269	219	5,520	395	355	4,900	474	434
6,080	247	237	5,480	373	373	4,860	452	452
6,040	226	256	5,440	352	392	4,820	430	470

Vegetable Market Trends (Graphs 10 to 14)
Tomatoes

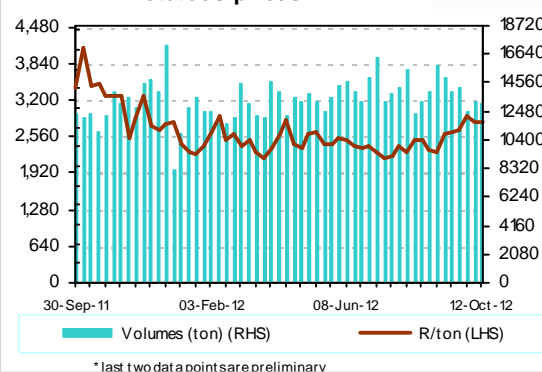
Tomato prices maintained the recent uptrend supported by reduced volumes on markets. Weekly tomato prices increased by a whopping 37.8% w/w and 3.5% y/y, closing at R7,160 per ton. Volumes of tomatoes traded fell by 7.1% w/w but still 6.9% higher y/y, coming in at 3,441 tons.

It is however expected that prices will ease somewhat in the medium term as volume recover.

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

Potatoes

Potato prices moved sharply higher as a result of lower volumes on markets. Weekly prices advanced by 8.9% w/w but still 14.8% lower y/y at R2,912 per ton. Volumes traded fell by 12.3% w/w but still 1.1% higher y/y at 12,442 tons.

It is however expected that prices will soften somewhat in the short term on volume pressure and limited uptake.

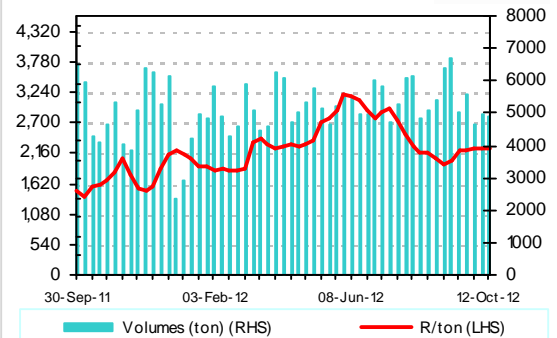
**Graph 11: Fresh Produce Markets
- Potatoes prices**


Onions

Onion prices posted marginal gains on the back of a sharp fall in supplies on markets. Weekly onion prices traded at R2,262 per ton, up 2.4% w/w and 50.5% y/y. Volumes traded were down by a whopping 16.8% w/w and 29.1% y/y, coming in at 4,639 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



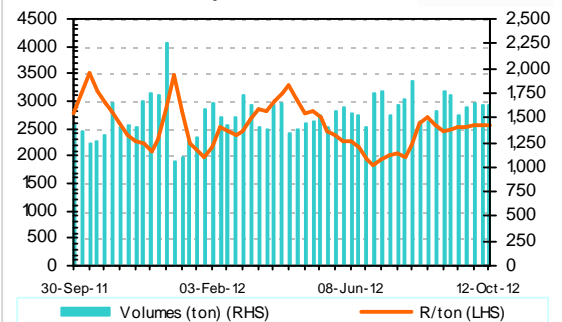
* last two data points are preliminary

Carrots

Carrot prices moved marginally higher supported by improved uptake on markets. Weekly carrot prices increased by 2.6% w/w to close at R2,574 per ton, but still 7.7% lower y/y. Volumes traded reached 1,645 tons, up 2.5% w/w and 15.9% y/y.

It is however expected that prices will trend sideways in the short to medium term on moderation in demand.

Graph 13: Fresh Produce Markets - Carrot prices



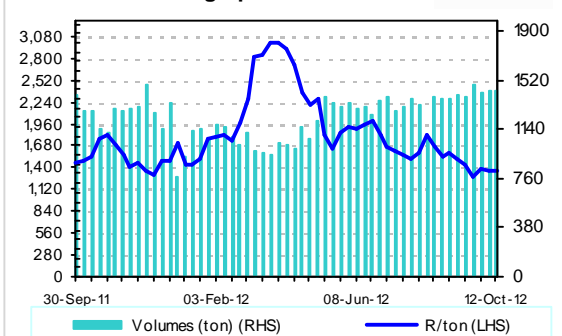
* last two data points are preliminary

Cabbages

Cabbage prices increased sharply due to increased supplies on markets. Weekly cabbage prices rose by 7.9% w/w but still 4.3% lower y/y at R1,393 per ton. Volumes traded reached 1,421 tons, falling by 4.8% w/w but still 1.2% higher y/y.

It is however expected that prices will trend sideways to lower in the short term on volume pressure.

Graph 14: Fresh Produce Markets - Cabbage prices



* last two data points are preliminary

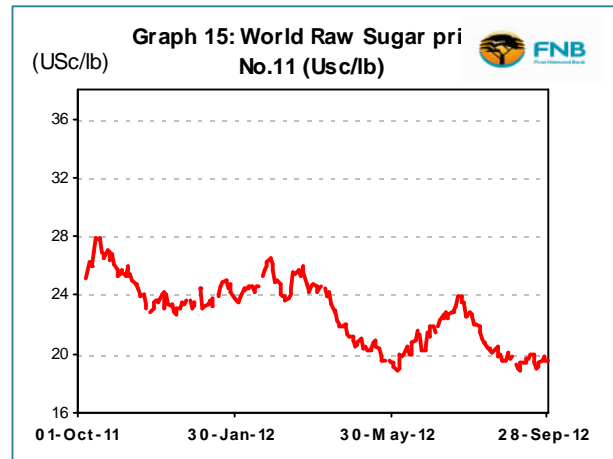
**Vegetable prices: South Africa's Major Fresh Produce Markets.
(Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)**

Week ending 28 September 2012	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Tomato	7,160	37.8%	3.5%	3441	-7.1%	6.9%
Potato	2,912	8.9%	-14.8%	12442	-12.3%	1.1%
Onion	2,262	2.4%	50.5%	4639	-16.8%	-29.1%
Carrot	2,574	2.6%	-7.7%	1645	2.5%	15.9%
Cabbage	1,393	7.9%	-4.3%	1421	-4.8%	1.2%

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

Sugar market trends (Graph 15)
International:

- Raw sugar prices regained some ground and finished slightly firmer for the week. Weekly prices traded at US19.62c/lb, up 1.1% w/w but still 24.5% lower y/y.
- Nonetheless, good progress in harvesting and processing in Brazil limited further gains. Other negative news included the weak economic data out of China which suggests that demand may come under downward pressure.
- 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 delivery rose by 1.7% w/w at US20.42/t, May-13 gained 1.3% w/w at US20.46c/lb, Oct-13 was up 1.5% w/w at US20.82c/lb.


Domestic:

- The September 2012 RV price in respect of cane delivered in August 2012 was declared at R3,156.57 per ton, R0.42 per ton lower compared to the August price. According to the Cane Growers' Association, the decrease was due mainly to the lower weighted average No.11 world market price (22.70 USc/lb vs. 22.95 USc/lb) and the lower slight drop in the sugar: RV ratio (94.80% vs. 94.83%). However, the 35,224 tonnes drop in gross sugar production (2,152 m tons vs. 2,187 m tons) limited further losses on the RV price. The weaker R/US\$ exchange rate (8.30 vs. 8.21) provided further support.
- About 32.9% 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 280,2674 tons has been priced at an average of US24.19c/lb. At this point 4 915 tons are unpriced and 152,563 tons are in the crop buffer. This means that 157,887 tons of the estimated production in 2012/13 are currently subjected to world market price and R/US\$ exchange rate volatility.

ICE Sugar Futures 28 September 2012	Mar-13	May-13	Jul-13	Oct-13	Mar-14
Sugar No.11 (US c/lb)	20.42	20.46	20.49	20.82	21.24
% Change w/w	1.7%	1.3%	1.1%	1.5%	1.4%

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