

Agri-Weekly

11 January 2013

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Beef market trends (Graph 1)

International:

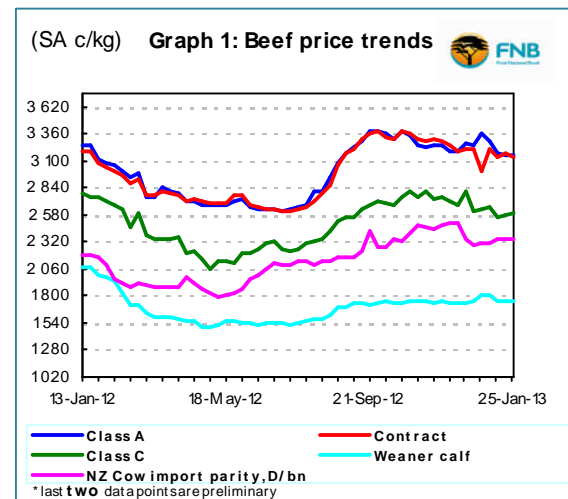
- International beef prices were relatively stable at strong levels during the second half of 2012, reflecting tight world supplies due to poor production conditions in some of the major producing countries.
- However, prices moderated late in the year with FAO Meat Index easing slightly lower by 2.0% m/m in December to an average of 176.
- Meanwhile, high feed prices and weak export demand put industry profitability under pressure.
- In the US, beef production was again forecast higher largely due to heavier carcass weights. According to the latest USDA World Agricultural Supply and Demand Estimates (WASDE) Report, the US 2012 beef production was forecast slightly higher with exports raised based on recent trade data but are unchanged for 2013. The import forecast was lowered for both 2012 and 2013 as global supplies of beef are expected to remain relatively tight.

Domestic:

- On the domestic front, the beef market had a slow start as expected during this period. Prices lost ground across most categories as demand slipped. The weaner market however remained relatively stable as supplies tightened due to improved production conditions in most areas.
- In the product category, Class A beef was down 2.5% y/y at R31.68 per kg. Class C beef closed at R25.57 per kg, which is 8.3% lower y/y. Contract Class A beef prices were down by 1.8% y/y at R31.38 per kg.
- Weaner calf dropped sharply by 15.7% y/y and closed at R17.44 per kg live weight.

OUTLOOK

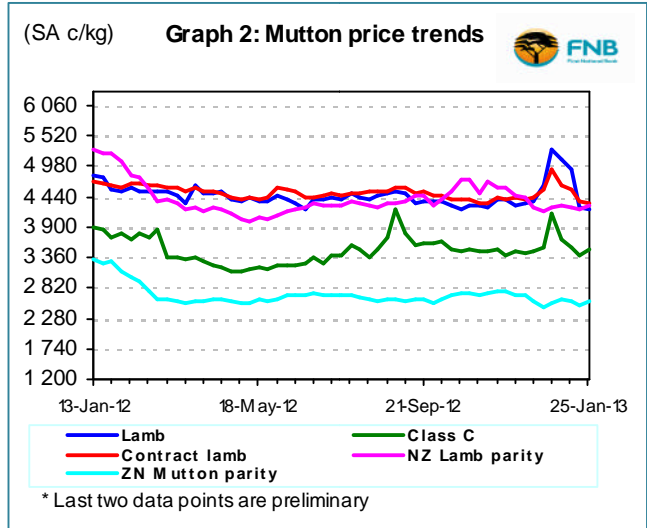
It is expected that the weaner market will retain a sideways to firmer trend on the back of supply tightness and improved feeder demand. Beef prices on the other hand will come under downward pressure due to the seasonal decline in demand.



Mutton market trends (Graph 2)

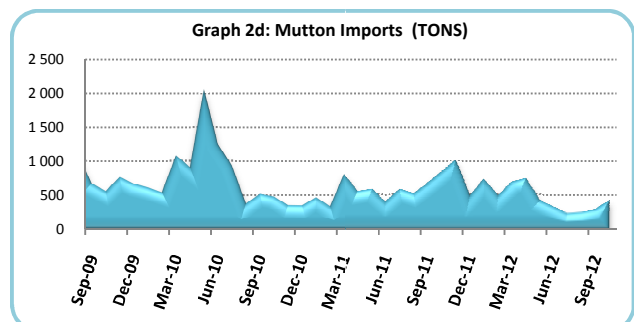
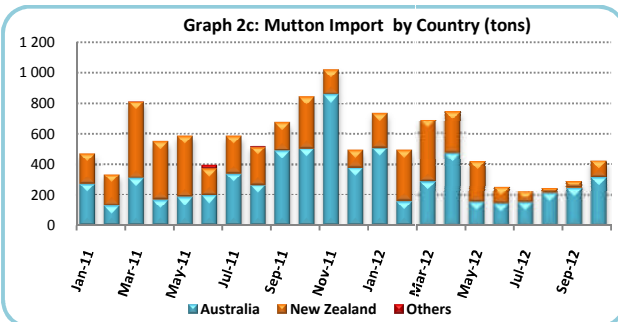
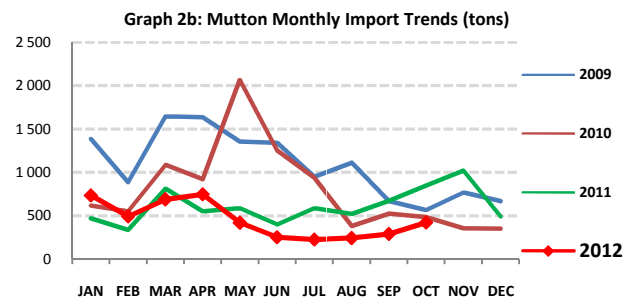
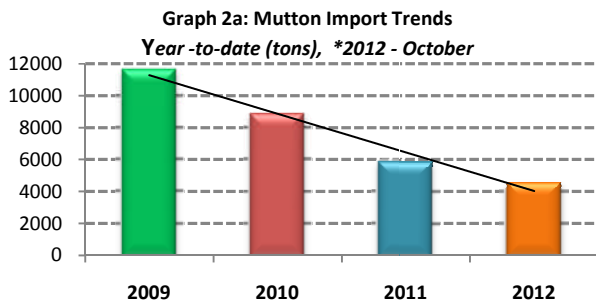
International:

- In New Zealand (NZ), producer prices continued to soften with lamb finishing at NZ\$83.80 per head. This is 33.0% lower y/y.
- Meanwhile, the latest data out of Europe indicates that New Zealand filled just 70% of its allocated 228,000 tons sheep meat quota in 2012. In 2011 80% of the quota was filled, while in 2010 that figure stood at 86%. In 2011, trade was limited by reduced availability of product out of New Zealand, but in 2012 the drop was virtually entirely due to a drop in demand (AgriFax).
- The US Carcass lamb sales for the second week of 2013 ended mixed with medium categories ending softer while the lighter and the heavier categories increased.
- The National Lamb Carcass Cutout values closed at US\$267.66/cwt, marginally higher up on last week but still 26.5% lower y/y. The estimated sheep slaughter was up 8.3% y/y at 39,000 head.
- Domestic:
- The domestic lamb and mutton markets were a bit firmer despite softer demand.
- Class A Lamb prices closed at R43.64 per kg, which is 8.3% lower y/y. Contract Class A lamb finished at R44.06 per kg, down by 9.5% y/y.
- Mutton was sharply lower by 12.1% y/y at R34.55 per kg.
- Feeder lamb prices fell sharply by 20.1% y/y to close at R20.50 per kg live weight, indicative of the seasonal decline in demand.



OUTLOOK

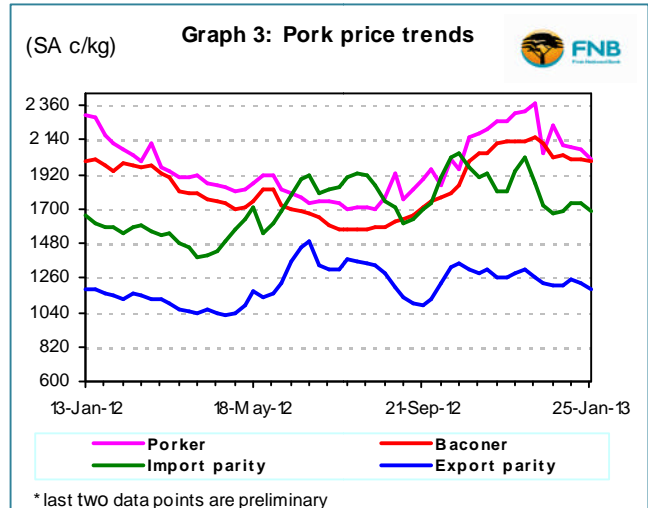
Prices are expected to move sideways to lower under pressure as a result of weak demand.



Source: SARS, Own Calculations

Pork market trends (Graph 3)
International:

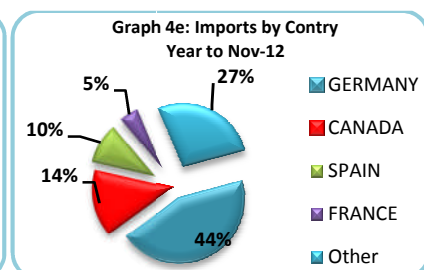
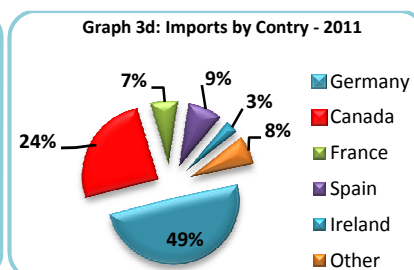
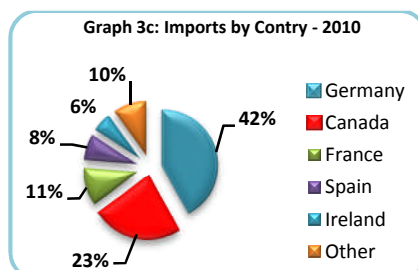
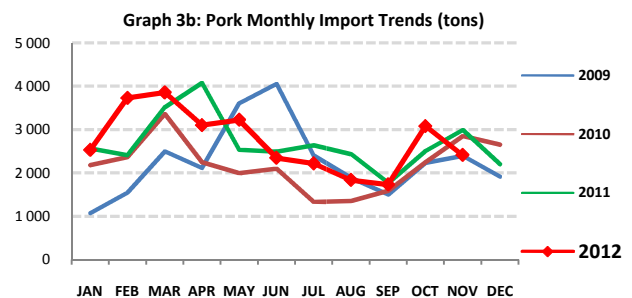
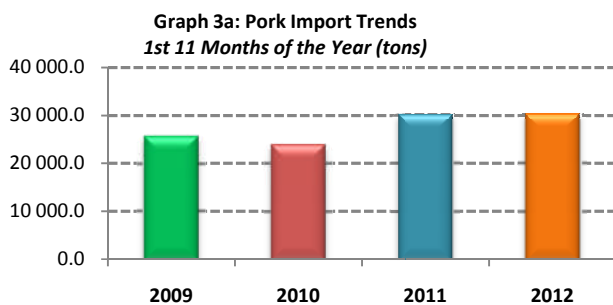
- The US domestic pork market started the year on a negative note with prices down across most categories.
- Meanwhile, the USDA's December 28 Quarterly Hog and Pigs report estimated that the pig crop for the last half of 2012 was about the same as 2011, while indicating producers plan to farrow 1 percent fewer sows during the first half of 2013 relative to 2012.
- However, continued growth in pigs per litter in 2013 is expected to more than offset the decline in intended farrowings.
- The US 2013 pork production came in slightly higher m/m in the January WASDE report, which is attributable to slightly higher expected carcass weights. The 2012 and 2013 pork export were raised from December estimates due to the expected greater availability of pork and continued firm demand.


Domestic:

- After posting a modest growth towards the end of 2012, prices eased lower due to softer demand associated with post December holidays.
- Prices were down across the board with porker prices closing the week at R20.92 per kg, which is 8.8% lower y/y. Baconers traded at R20.23 per kg, down by 1.2% w/w but still 0.7% higher y/y.
- Import parity prices closed modestly higher on the back of a weaker Rand.
- Weekly import parity prices were up by 3.1% w/w and 4.8%y/y.

OUTLOOK

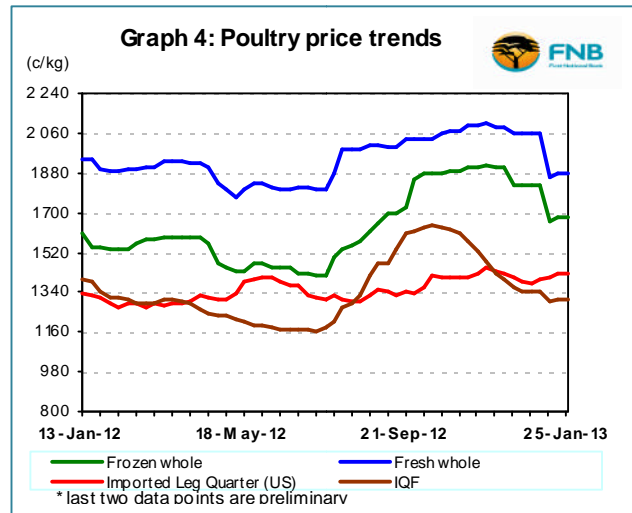
It is expected that prices will remain under pressure and move sideways to lower on moderation in demand.



Source: SAPPO, SARS, Own Calculations

Poultry market trends (Graph 4)
International:

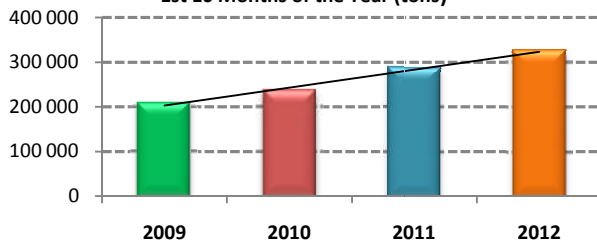
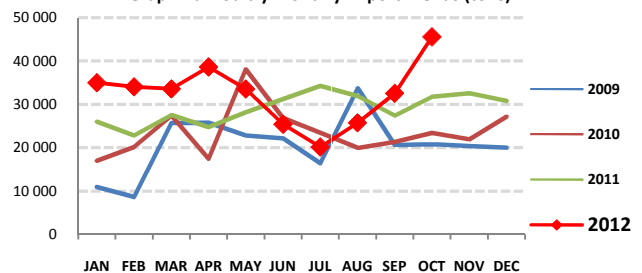
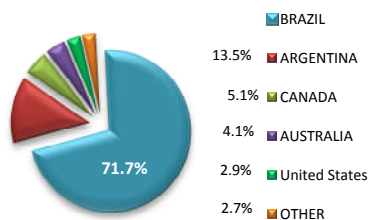
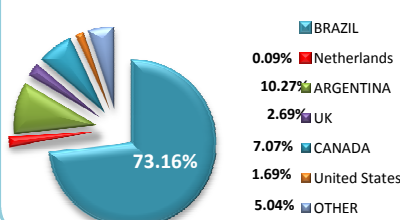
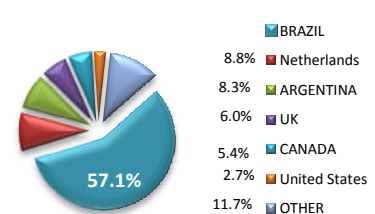
- US domestic prices posted marginal gains on moderate to good demand at retail and food service.
- Weekly whole bird prices finished at US98.75c/lb, up 0.4% w/w and 9.5% y/y.
- Breast prices gained 1.2% w/w and 20.7% to close at US102c/lb. Leg quarters were marginally higher at US53.75c/lb, which is up by 0.8% y/y.
- Drumsticks gained 2.1% w/w but still 1.1% lower y/y, closing at US68.75c/lb. Wings rose by 1.7% w/w and 9.5% y/y to close at US192.75c/lb.
- According to the latest USDA WASDE report, US Broiler production was increased as higher forecast broiler and lower soybean meal prices are expected to enhance sector profitability. Hatchery data are pointing towards a higher-than-previously forecast production and bird weights have increased.


Domestic:

- The softer market conditions saw prices dropping sharply across the board. Prices have been trending lower since Oct-Nov 2012 on the back of higher volumes and increased import competition.
- Weekly frozen whole bird prices closed at R16.60 per kg, down by 9.0% w/w but still 3.3% higher y/y.
- Fresh whole birds traded at R18.57 per kg, which is down by 9.8% w/w and 4.5% y/y.
- IQF prices decreased by 3.7% w/w and 7.2% y/y to close at R12.96 per kg.
- Weekly import parity prices regained some ground, finishing 0.8% higher w/w and 5.5% y/y.

OUTLOOK

Prices are expected to trend sideways with limited upward potential in the short to medium term due to weak demand.

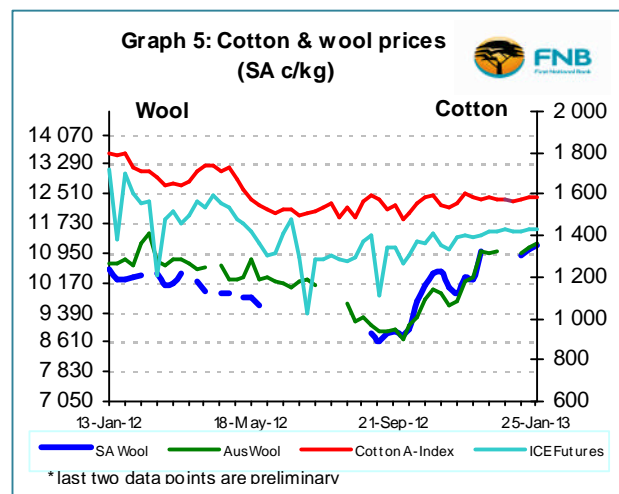
Graph 4a: Poultry Import Trends
 1st 10 Months of the Year (tons)

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 11 January 2013 | Beef | Mutton | Pork | Poultry |
|---|-------------|---------------|-------------|----------------|
| Open market: Class A / Porker / Fresh whole birds(R/kg) | 31.68 | 49.04 | 20.92 | 18.57 |
| Open market: Class C / Baconer / Frozen whole birds(R/kg) | 25.57 | 35.29 | 20.47 | 16.60 |
| Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg) | 31.38 | 45.75 | 20.23 | 12.96 |
| Import parity price (R/kg) | 23.46 | 25.64 | 17.43 | 14.05 |
| Weaner Calves / Feeder Lambs (R/kg) | 17.44 | 20.50 | | |

Wool and cotton market trends (Graph 5)
International:

- The Cotton A index posted marginal gains on supportive US dollar and improved export interest. The Index values reached US83.32c/lb, which is 17.3% lower y/y.
- USDA raised its 2013 world cotton production and ending stocks estimates to 25.9m tons and 17.8m tons respectively in the January report. Production increase is expected in China (+2m to 33.5m tons), with the rest of the world producers unchanged from the December estimate.
- Cotton futures on the InterContinental Exchange (ICE) were softer across the board: Cotton for Mar-13 fell by 0.3% w/w at US75.52c/lb, May-13 was down by 0.2% w/w at US76.36c/lb, and Oct-13 was down by 0.7% w/w at US78.05c/lb.
- Wool: In Australia, the wool market finished the week on a positive note with the Eastern Market Indicator reaching AU\$11.11 per kg clean wool. Volumes offered were pegged at 52,063 bales with sales of 96.2%.


Domestic:

- The wool market resumed with the first sale holding well above the R100/kg level despite a stronger Rand. The Cape Wools Merino indicator closed at a record R109.00 per kg clean wool, easing by 0.8% compared to the closing sale before the Christmas recess but still 3.7% higher y/y. The current market indicator is 12.5% and 24.8% higher than the current season's average and the opening sale respectively.
- Sales reached 99.0% of the 13,851 bales offered.
- Major buyers were Standard Wool SA with 4,284 bales (30.9%), G Modiano SA with 3,150 bales (22.7%), and Lempriere SA with 3,028 bales (21.9%).

| Fibre market prices 11 January 2013 | SA prices (R/kg) | Australian prices (R/kg) | Australian futures Mar-13 (AU\$/kg) | Australian futures May-13 (AU\$/kg) |
|--|---|---|--|--|
| Wool market indicator (R/kg) | 109.00 | 109.54 | | |
| 19 μ long length wool (R/kg) | 119.12 | 119.00 | 12.30 | 12.25 |
| 21 μ long length wool (R/kg) | 110.16 | 110.80 | 11.70 | 11.65 |
| 23 μ long length wool (R/kg) | 102.79 | 106.58 | 10.25 | 10.20 |
| | SA derived Cotton (R/kg) | New York A-Index (US\$/kg) | Cotton Futures May-12 (US\$/kg) | Cotton Futures Oct-13 (US\$/kg) |
| Cotton Prices (R/kg) | 15.78 | 1.83 | 1.68 | 1.72 |

Cotton Futures on ICE;

Yellow maize market (Graph 6)
International:

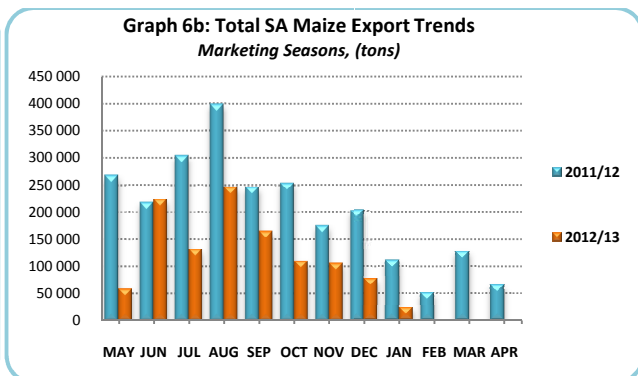
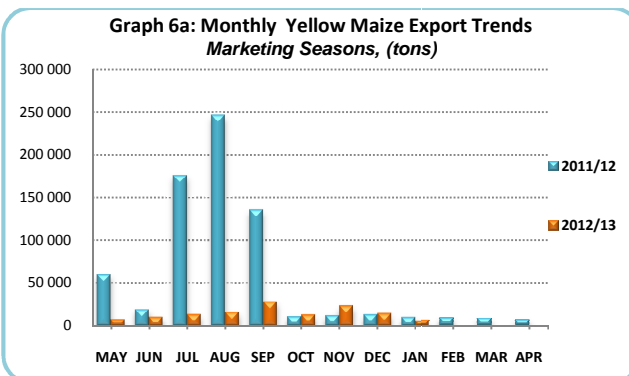
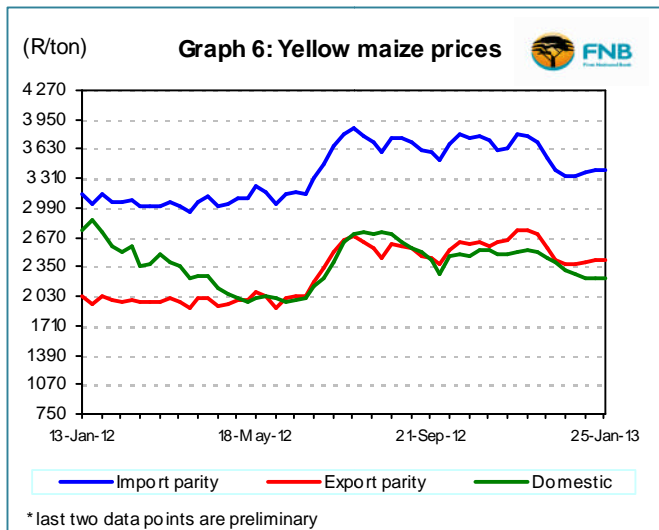
- US yellow maize prices posted modest gains on the back of a bullish USDA outlook report.
- USDA projected maize utilization for 2012/13 was raised with higher expected feed and residual disappearance more than offsetting reduced prospects for exports. Feed and residual use is projected 7.6m tons higher based on September-November disappearance as indicated by December 1 stock and on higher expected beef, pork, and poultry production.
- US maize exports are expected to fall by 5.1m tons, reflecting the slow pace of sales and shipments to date and increasing pressure from larger supplies and exports for South America. Ending stocks were pegged at 602m tons, down by 1.1m tons.
- Elsewhere, Brazil's production increased by 1.0m tons on higher expected yields with favourable December rainfall across the southern growing areas. In Argentina, the production estimate was increased by 0.5m tons as lower harvested area is more than offset by higher expected yields.

Domestic:

- Yellow maize prices trended lower on improved crop prospects following good rains for most of the growing areas. Weekly prices fell by 2.5% w/w and 19.4% y/y, closing at R2,218 per ton.
- Export sales have started to pick up after reaching a peak late in 2012. Weekly export sales for the week ended 11 January 2013 came in at 3,893 tons, which brings the cumulative sales for the 2012/13 marketing season to 133,683 tons.

OUTLOOK

Maize prices should trend sideways in the short term as crops enter the critical growth phase and the extent of planted area is known. Weather conditions will be critical for price direction going forward.



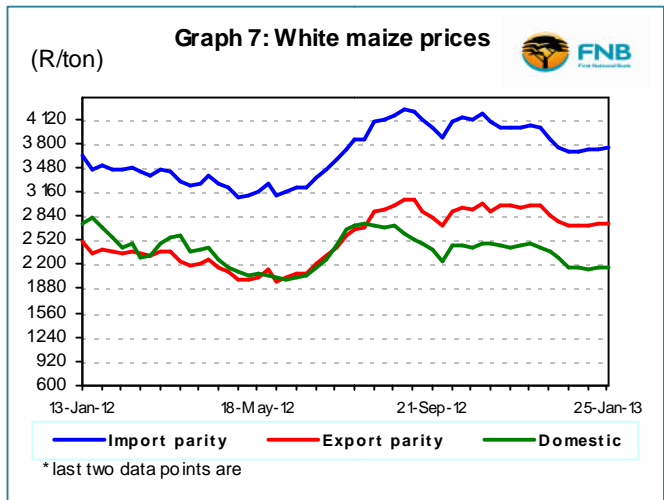
| Yellow Maize Futures 11 January 2013 | Mar-13 | May-13 | Jul-13 | Sep-13 | Dec-13 | | | |
|--|------------|-------------|---------------|------------|-------------|---------------|------------|-------------|
| CBOT (\$/t) | 279.19 | 278.56 | 275.25 | 237.19 | 227.34 | | | |
| JSE (R/t) | 2 186 | 2 080 | 2 035 | 2 065 | 2 116 | | | |
| CHICAGO CORN (R/t) | 2 066 | 2 066 | 2 066 | 2 066 | 0 | | | |
| Calculated Yellow Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005) | | | | | | | | |
| May-13 | | | Jul-13 | | | Sep-13 | | |
| Ask | Put | Call | Ask | Put | Call | Ask | Put | Call |
| 2 120 | 147 | 107 | 2 080 | 168 | 123 | 2 100 | 190 | 155 |
| 2 080 | 125 | 125 | 2 040 | 145 | 140 | 2 060 | 168 | 173 |
| 2 040 | 105 | 145 | 2 000 | 125 | 160 | 2 020 | 147 | 192 |

White maize market trends (Graph 7)
International:

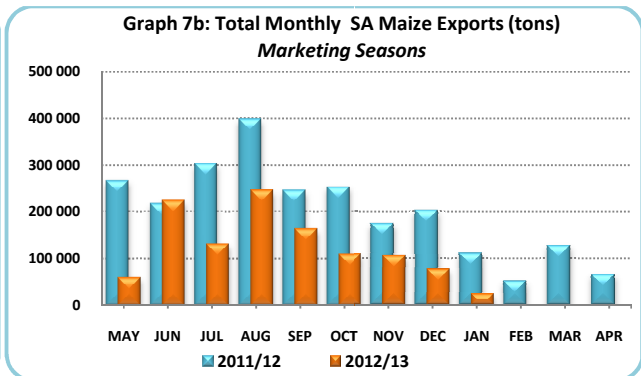
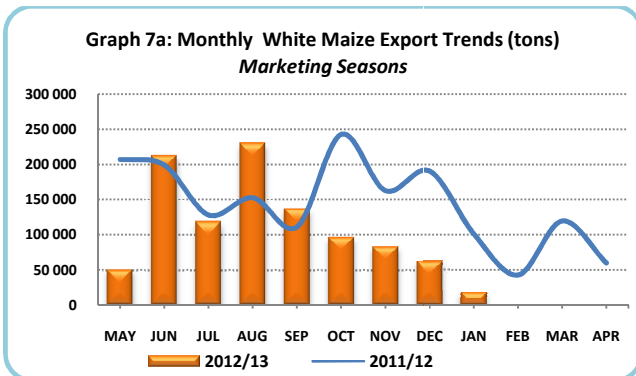
- US White maize spot prices eased marginally lower despite gains in the grain complex.
- The weekly average white maize prices closed at US\$311 per ton, down by 0.6% w/w but still 1.0% higher y/y.

Domestic:

- White maize prices eased slightly lower on improved local crop conditions despite a weaker Rand.
- Production conditions have improved somewhat in the growing areas due to recent rains.
- Weekly white maize prices fell by 1.1% w/w and 22.3% to close at R2,135 per ton.
- Weekly white maize export sales for the week ended 11 January 2013 were pegged at 9,582 tons, with total sales for the season to date reaching 1.02m tons. Cumulative maize export sales for the 2012/13 season reached 1.15m tons (White and Yellow maize).


OUTLOOK

Maize prices should trend sideways in the short term as crops enter the critical growth phase and the extent of planted area is known. Weather conditions will be critical for price direction going forward.

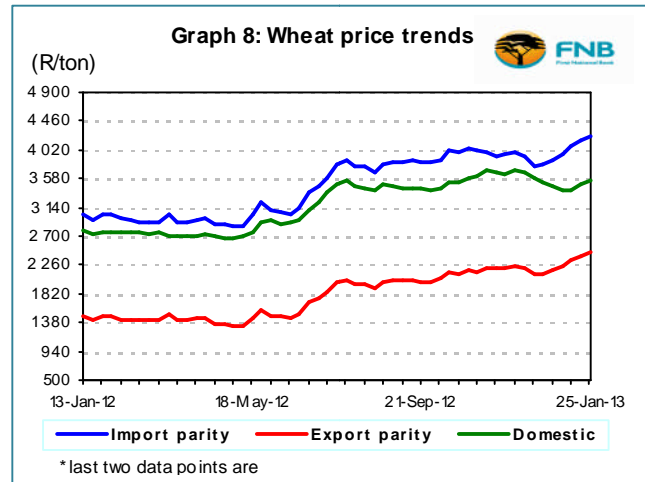


Source: SAGIS;

| White Maize Futures 11 January 2013 | | Mar-13 | May-13 | Jul-13 | Sep-13 | Dec-13 | | |
|---|-----|--------|--------|--------|--------|--------|-----|------|
| JSE (R/t) WM ₁ | | 2 121 | 2 026 | 1 996 | 2 030 | 2 073 | | |
| Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005) | | | | | | | | |
| May-13 | | | Jul-13 | | | Sep-13 | | |
| Ask | Put | Call | Ask | Put | Call | Ask | Put | Call |
| 2 060 | 132 | 98 | 2 040 | 173 | 129 | 2 080 | 196 | 146 |
| 2 020 | 110 | 116 | 2 000 | 150 | 146 | 2 040 | 173 | 163 |
| 1 980 | 90 | 136 | 1 960 | 129 | 165 | 2 000 | 152 | 182 |

Wheat market trends (Graph 8)
International:

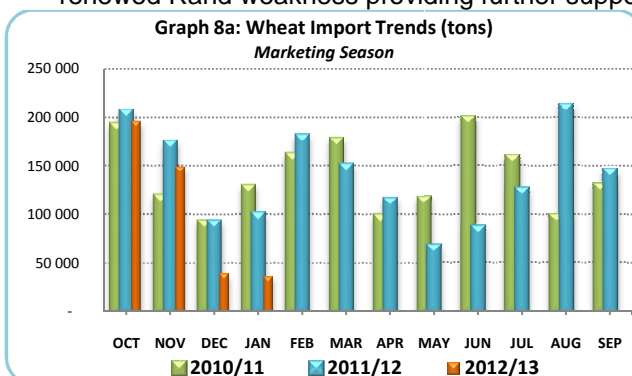
- Wheat posted slight gains on spill over support from soybeans. However, gains were limited due to improve production conditions in the US Plains and Midwest coupled with somewhat bearish export sales.
- US weekly wheat sales came in at 233,700 ton for the current marketing year.
- USDA lowered its US wheat ending stocks for 2012/13 by 1m from last month to 19.49m tons.
- Feed and residual use is projected at 9.5m tons, up 1.0m tons as December 1 stocks, reported in the January Grain Stocks, indicate higher-than-expected disappearance during September-November.
- On the world front, wheat supply estimates for 2012/13 are seen lower based on reduced production prospects in Argentina and lower reported production in Russia. World production is expected to reach 654.31m tons, down by 0.8m tons compared to the December 2012 estimate. Production for Argentina and Russia were pegged at 11.0m (-0.5m) and 37.7m (-0.3m) tons respectively.


Domestic:

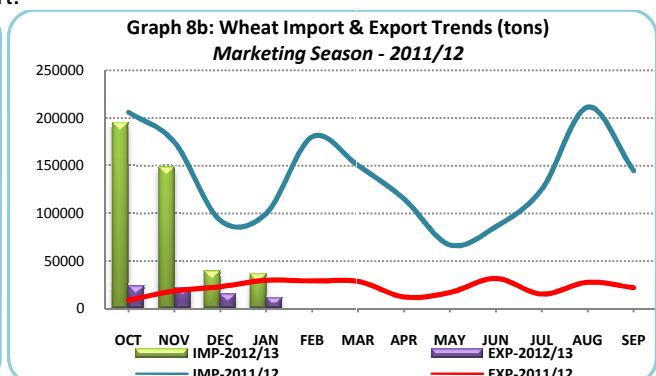
- The local prices trended lower despite gains on the international market and the weaker Rand/ US dollar exchange rate. Weekly wheat prices eased marginally lower by 0.4% w/w and closed at R3,402 per kg, which is still 27.7% higher y/y.
- Weekly wheat import parity prices however saw gains, closing up 2.2% w/w and 33.7% y/y.
- Wheat import sales for the week ended 11 January 2013 were pegged at 12,000 tons, which brings the cumulative year to date imports to 410,271 tons.

OUTLOOK

Local prices are expected to trend higher on the back of gains on the international market with the renewed Rand weakness providing further support.



Source: SAGIS;



| Wheat Futures 11 January 2013 | Mar-13 | May-13 | Jul-13 | Sep-13 | Dec-13 | | | |
|--|------------|-------------|---------------|------------|-------------|---------------|------------|-------------|
| KCBT (\$/t) | 302.58 | 306.26 | 308.92 | 312.87 | 316.73 | | | |
| JSE (R/t) | 3 474 | 3 530 | 3 560 | - | 3 440 | | | |
| Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005) | | | | | | | | |
| May-13 | | | Jul-13 | | | Sep-13 | | |
| Ask | Put | Call | Ask | Put | Call | Ask | Put | Call |
| 3 580 | 191 | 141 | 3 600 | 229 | 189 | 3 480 | 317 | 277 |
| 3 540 | 169 | 159 | 3 560 | 207 | 207 | 3 440 | 295 | 295 |
| 3 500 | 148 | 178 | 3 520 | 187 | 227 | 3 400 | 274 | 314 |

Oilseed market trends (Graph 9)
International:

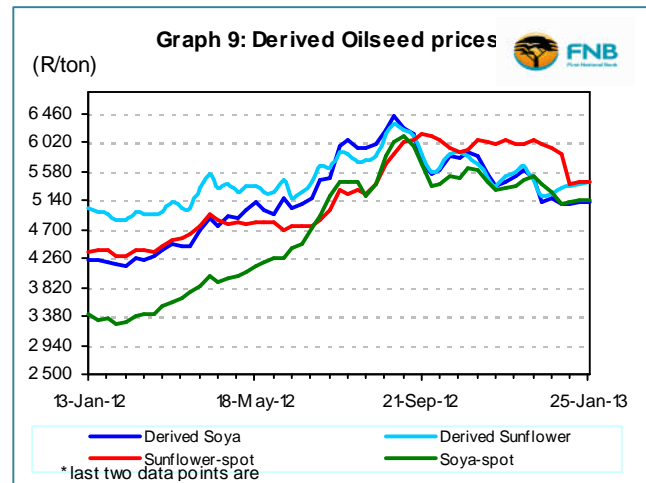
- Prices ended mixed in the soybean complex with soybeans having sharp gains early in the week. Soybean meal prices were steady while soybean oil edged marginally higher for the week.
- In the latest USDA WASDE report, US Soybean production is estimated at 82.1m tons, up 1.2m tons due to increased yields and harvested area.
- Soybean for crushing was pegged at 43.68m tons (up by 1.0m tons), reflecting higher projected domestic soybean meal consumption and increased soybean meal exports. Soybean meal domestic consumption is raised in line with projected gains in meat production, especially for pork and poultry.
- Soybean ending stocks for 2012/13 were pegged at 3.7m tons (+0.1m tons).
- World soybean production came in at 269.4m tons, up 1.7m tons with gains in the United States and Brazil only partly offset by a lower projection for Argentina.
- In South America, the Brazil soybean crop was raised by 1.5m tons to a record 82.5m while that for Argentina was reduced by 1.0m to 54.0m tons due to lower projected area resulting from excessive moisture throughout much of the central growing area.

Domestic:

- Oilseeds traded on the JSE ended mixed with sunflower falling sharply on improved production conditions. Soybeans saw marginal gains, closing 0.2% higher w/w and 49.5% y/y at R5,106 per ton.
- Sunflower prices fell by 7.7% w/w but still 23.3% higher y/y at R5,380 per ton.

OUTLOOK

Prices are expected to trend sideways with some upward potential on spill over gains on international markets due to increased demand for soymeal.



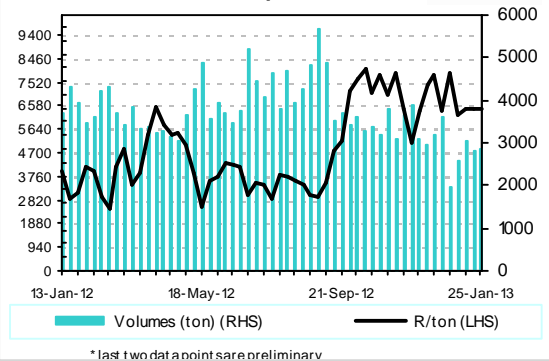
| Oilseeds Futures 11 January 2013 | Mar-13 | May-13 | Jul-13 | Sep-13 | Dec-13 |
|-------------------------------------|--------|--------|--------|--------|--------|
| CBOT Soybeans (US \$/t) | 521.03 | 516.32 | 513.90 | 485.60 | - |
| CBOT Soya oil (US c/lb) | 21.91 | 22.07 | 22.21 | 22.03 | 21.65 |
| CBOT Soya cake meal (US\$/t) | 460.21 | 453.93 | 449.08 | 420.53 | 401.90 |
| JSE Sunflower seed (R/t) | 4 690 | 4 430 | 4 500 | - | 4 764 |
| JSE Soybean seed (R/t) | 4 550 | 4 244 | 4 285 | - | - |

| Calculated Sunflower Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005) | | | | | | | | |
|---|-----|------|--------|-----|------|--------|-----|------|
| May-13 | | | Jul-13 | | | Sep-13 | | |
| Ask | Put | Call | Ask | Put | Call | Ask | Put | Call |
| 5 280 | 907 | 57 | 4 940 | 635 | 195 | 4 980 | 572 | 356 |
| 5 240 | 873 | 63 | 4 900 | 606 | 206 | 4 940 | 547 | 371 |
| 5 200 | 838 | 68 | 4 860 | 579 | 219 | 4 900 | 523 | 387 |

Vegetable Market Trends (Graphs 10 to 14)
Tomatoes

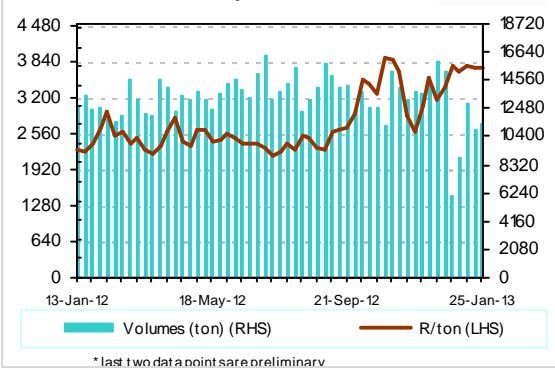
Tomato prices remained volatile, closing modestly higher supported by improved uptake on markets. Weekly tomato prices increased by 3.9% w/w and 61.9% y/y, closing at R6,416 per ton. Volumes traded increased by 18.6% w/w but were 18.1% lower y/y, coming at 3,046 tons.

Prices are however expected to trend sideways with limited upward potential during midmonth.

Graph 10: Fresh Produce Markets - Tomatoes prices

Potatoes

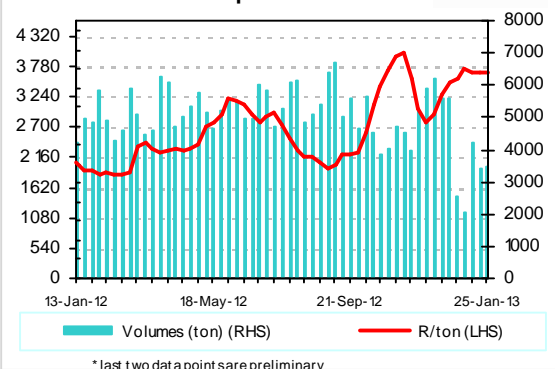
The potato market rebounded and posted modest gains due to good uptake despite higher volumes. Weekly potato prices increased by 3.0% w/w and 64.5% y/y to close at R3,745 per ton. Volumes traded were sharply higher by 45.2% w/w and 0.9% y/y, reaching 12,846 tons.

Prices are however expected to move sideways with some upside potential due to moderation in supplies.

Graph 11: Fresh Produce Markets - Potatoes prices

Onions

Onion prices drifted lower for the week, under pressure due to a substantial increase in supplies on markets. Weekly onion prices closed at R3,673 per ton, down by 2.0% w/w but still 79.0% higher y/y. Volumes traded increased by a whopping 105.3% w/w but were 0.7% lower y/y, reaching 4,196 tons.

It is expected that prices will remain under pressure in the short to medium term on improved volumes and softer demand.

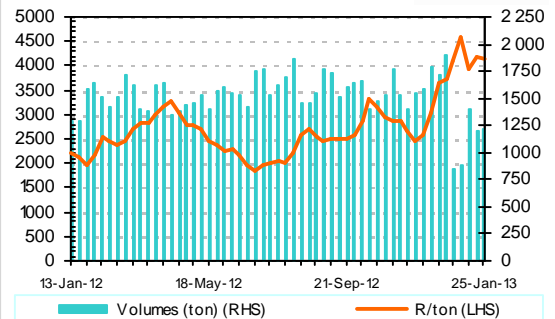
Graph 12: Fresh Produce Markets - Onion prices


Carrots

Carrot prices posted sharp losses on the back of higher volumes across most markets. Weekly carrot prices decreased by 14.3% w/w but were still 77.9% higher y/y at R3,949 per ton. Volumes traded reached 1,399 tons, up by 57.1% w/w and 9.1% y/y. Prices are expected to remain firm due to limited supplies on markets.

It is expected that prices will improve slightly in the short term on moderation in supplies. However, softer demand will limit further gains.

Graph 13: Fresh Produce Markets - Carrot prices

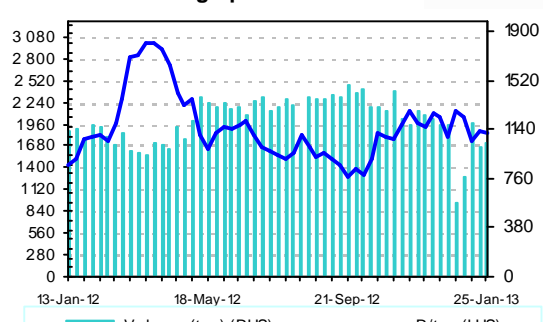


Cabbages

Cabbage prices closed the week lower due to abundant supplies on markets. Weekly cabbage prices decreased by 15.4% w/w but were still 21.8% higher y/y at R1,737 per ton. Volumes traded reached 1,190 tons, up by 54.3% w/w and 6.0% y/y.

Prices are expected to firm somewhat in the short term on moderation in supplies.

Graph 14: Fresh Produce Markets - Cabbage prices



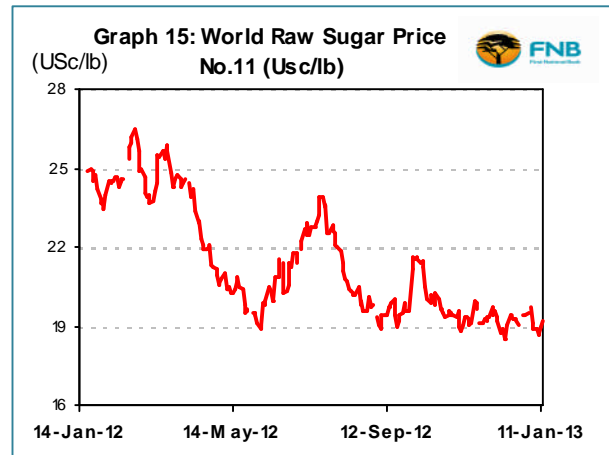
**Vegetable prices: South Africa's Major Fresh Produce Markets.
(Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)**

| Week ending 11 January 2013 | Average Price (R/t) | w/w | y/y | Total Volume (t) | w/w | y/y |
|--------------------------------|------------------------|--------|-------|---------------------|--------|--------|
| Tomato | 6 416 | 3.9% | 61.9% | 3046 | 18.6% | -18.1% |
| Potato | 3 745 | 3.0% | 64.5% | 12846 | 45.2% | 0.9% |
| Onion | 3 673 | -2.0% | 79.0% | 4196 | 105.3% | -0.7% |
| Carrot | 3 949 | -14.3% | 77.9% | 1399 | 57.1% | 9.1% |
| Cabbage | 1 737 | -15.4% | 21.8% | 1190 | 54.3% | 6.0% |

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

Sugar market trends (Graph 15)
International:

- Raw Sugar prices posted a modest decline on indications of ample world supplies and increased production out of Brazil. Higher production in Brazil, improving supplies out of India and Thailand remain bearish factors the market.
- Weekly average raw sugar prices fell by 2.1% w/w and 19.6% y/y to close at US18.88c/lb.
- According to the USDA World Supply and Demand Estimates (WASDE), projected US sugar supply for fiscal year 2012/13 is increased 152,000 short tons, raw value, from last month, due to higher beginning stocks and production. Sugar production in Louisiana is increased 150,000 tons based on processors' estimates. Contributing factors to Louisiana's large sugar crop include ideal planting and growing weather for sugarcane, improved varieties, and lack of significant freezes during harvest. Sugar use is unchanged.
- Raw Sugar futures on InterContinental Exchange (ICE): Raw Sugar for May-13 gained 1.9% w/w at US 19.36c/lb, Jul-13 was 2.3% higher w/w at US19.63c/lb, Mar-14 gained 2.4% w/w to close at US20.60c/lb, and Jul-14 was up by 2.3% w/w at US20.43c/lb.


Domestic:

- According to the Cane Growers Association, the December 2012 RV price in respect of cane delivered in November 2012 was declared at R3 163.78 per ton. The price was R3.19 per ton higher than the previous price (cane delivered in October 2012). The key contributor to the increased price was the sharp drop of 43,757 tons in sugar production. The lower sugar:RV ratio (93.83% vs. 94.06%) impacted negatively on the price.
- Despite the fact that the weighted average No. 11 price increased (24.39 USc/lb vs. 23.70 USc/lb) the net effect was negative because of the requirement to roll over the overpriced tonnage to the 2013/14 season. This situation occurred after the steep decline in the crop estimate had overshot the crop buffer and thus resulted in the industry being in an overpriced situation.

| ICE Sugar Futures 11 January 2013 | May-13 | Jul-13 | Oct-13 | Mar-14 | May-14 |
|--------------------------------------|--------|--------|--------|--------|--------|
| Sugar No.11 (US c/lb) | 19.36 | 19.63 | 19.98 | 20.60 | 20.50 |
| % Change w/w | 1.9% | 2.3% | 2.4% | 2.4% | 2.3% |

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.