

Agri-Weekly

19 April 2013

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Beef market trends (Graph 1)

International:

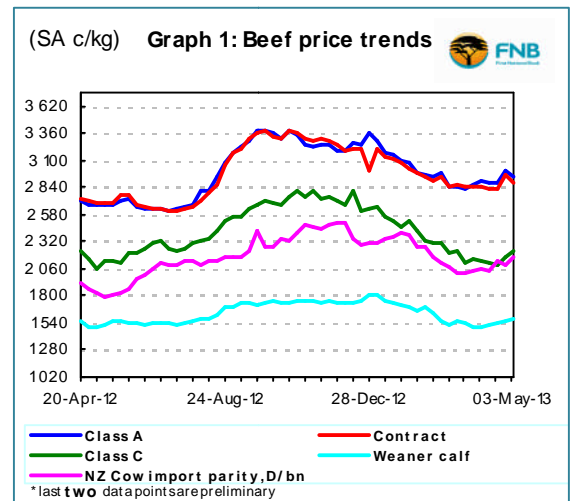
- US lean manufacturing beef prices posted sharp losses on softer demand and heavy supplies.
- A slow start to the spring season and the larger than expected cow slaughter added to the weaker tone.
- Market activity on imported beef was reportedly slow with prices continuing to trend lower.
- At wholesale level, US boxed beef cut-out values ended mixed with the Choice category steady at US\$190.51/cwt, but still 2.9% higher y/y. Select beef was down by 0.8% w/w but marginally higher by 0.5% y/y at US\$184.04/cwt.
- In the cattle market, production conditions are set for an early recovery given the recent rains. This together with declining maize prices will have a positive impact on feeder cattle prices.
- In Australia, cattle prices remained under pressure due to increased supplies across most markets. This saw the Eastern Young Cattle Indicator falling by 2.6% w/w and 17.3% y/y to end the week at AU\$3.08/kg cwt.

Domestic:

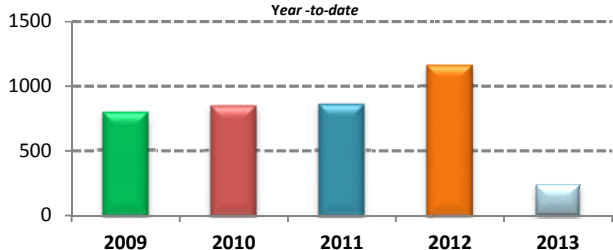
- Beef prices remained under pressure and trended sideways to lower across most categories. The exception was Class A beef, which ended 0.3% and 6.6% higher y/y at R28.94 per kg.
- Weekly Contract Class A beef prices fell by 0.3% w/w but up 3.6% y/y at R28.25 per kg.
- Class C beef prices were down by 1.0% w/w and 5.5% y/y at R21.01 per kg.
- In the weaner market, prices bottomed out and improved slightly on renewed demand across most markets. Weekly weaner calf prices gained 1.4% w/w to close at R15.40 per kg live weight, but still down by 1.3% y/y.

OUTLOOK

It is still expected that prices will remain under pressure in the medium term due to the seasonal increase in supplies.

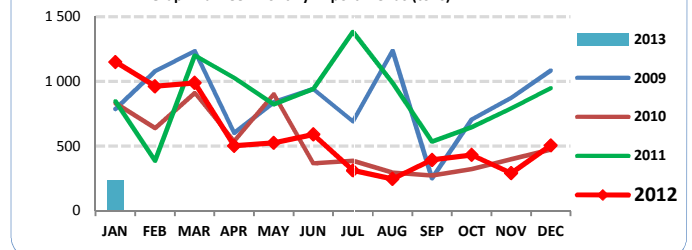


Graph 2a: Beef Import Trends (tons)
Year-to-date



Source: SARS, Own Calculations

Graph 2b: Beef Monthly Import Trends (tons)



Mutton market trends (Graph 2)
International:

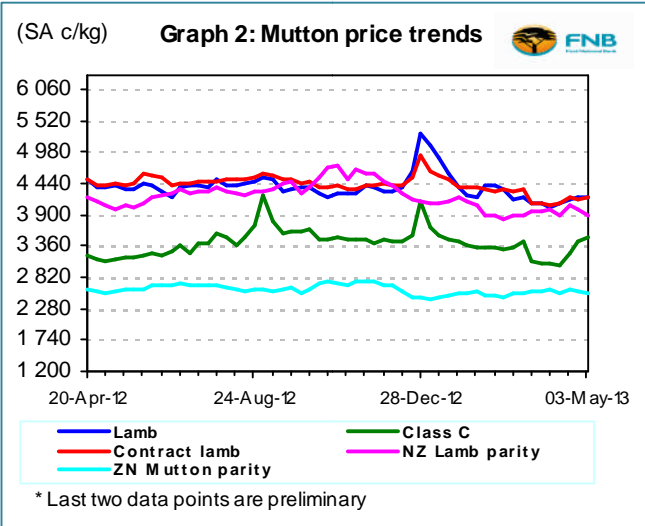
- In New Zealand (NZ), producer prices were mostly firmer for the week.
- Weekly lamb prices traded at NZ\$75.30 per head for the 17.5kg live weight, up by 0.4% w/w but still down by 23.0% y/y. Mutton prices steadied at NZ\$50.00 per head for the 21kg live weight, but still down by 20.0% y/y.
- In Australia, the lamb market continued to weaken with the Eastern Trades Lamb Indicator (ESTLI) falling by 3.0% w/w and 4.9% y/y to close the week at AU\$.89 per kg cwt.
- In the US, lamb carcass cut-out prices closed at US\$256.79/cwt, up by 0.1% w/w but down by 23.4% y/y.
- Weekly US sheep slaughter came in slightly higher at 37,000 tons, up by 2.8% w/w and 5.7% y/y. The estimated year-to-date sheep slaughter was down by 0.5% y/y at 608,000 head.

Domestic:

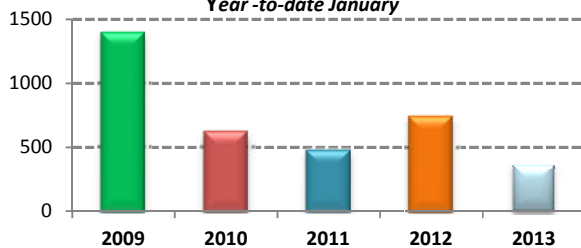
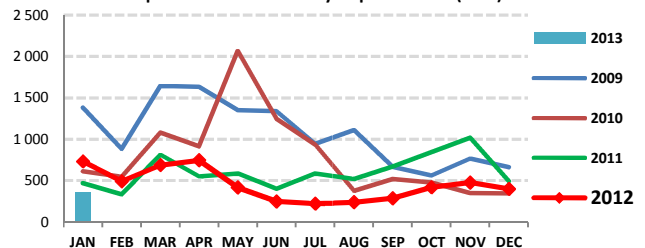
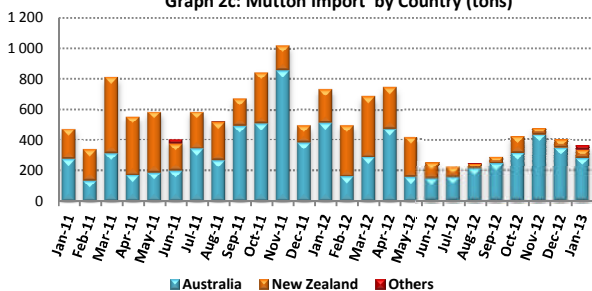
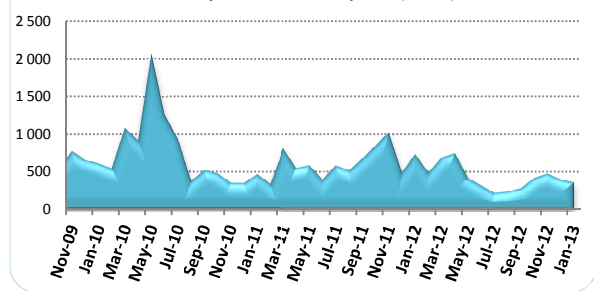
- The lamb and mutton markets posted a modest recovery on limited supplies.
- Weekly lamb prices gained 1.8% w/w but down by 7.9% y/y at R41.65 per kg.
- Contract Class A lamb prices closed up by 2.2% w/w at R42.00 per kg, but still 6.7% lower y/y.
- Mutton was the biggest gainer, finishing up by 7.5% w/w and 1.8% y/y at R32.44 per kg.
- Weaner lambs posted marginal gains on tight supplies and good demand on markets. Weekly weaner lamb prices gained 0.4% w/w but down by 11.8% y/y at R19.70 per kg live weight.

OUTLOOK

Prices are expected to maintain the current momentum in the short term on limited supplies.


Graph 2a: Mutton Import Trends (tons)

Year-to-date January

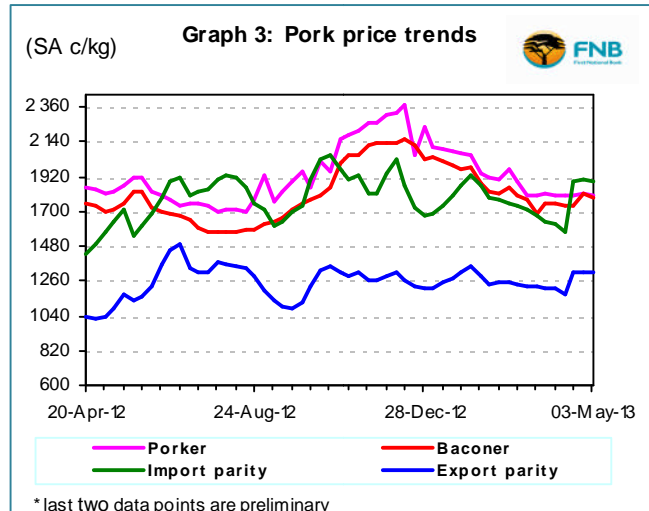

Graph 2b: Mutton Monthly Import Trends (tons)

Graph 2c: Mutton Import by Country (tons)

Graph 2d: Mutton Imports (TONS)


Pork market trends (Graph 3)
International:

- US pork carcass cutout ended higher despite increased slaughtering. Weekly slaughter number came in at 2.14m head, up 2.7% w/w and 2.7% y/y.
- US pork production was forecast higher by 1.0% y/y in the April USDA report.
- The increase is due to a slightly higher-than-expected first quarter pig crop and anticipated heavier carcasses as feed prices decline.
- Price forecasts were lowered as greater inventories and weaker exports are expected to exert downward pressure on the market.

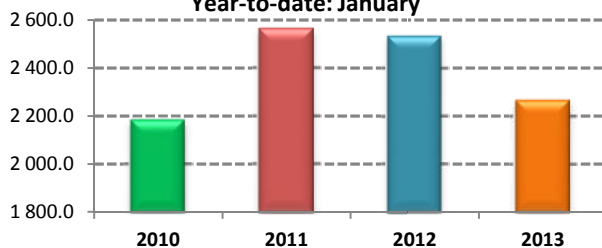
Domestic:

- Prices eased marginally lower on subdued demand.
- Weekly baconer prices closed at R17.39 per kg, down by 0.2% w/w and 0.3% y/y.
- Porker prices softened by 0.2% w/w and 0.3% w/w to close at R18.00 per kg.

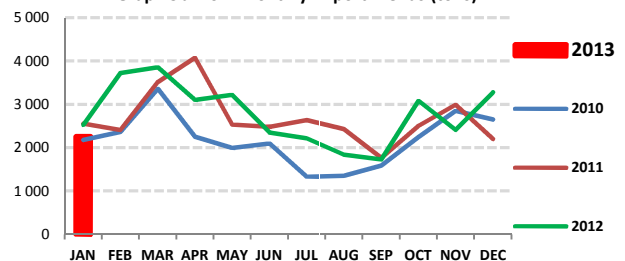

OUTLOOK

The short term outlook for prices remains bearish due to subdued demand.

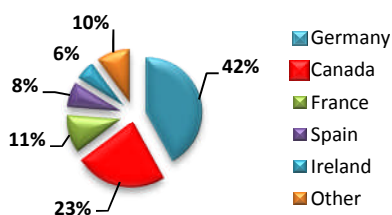
Graph 3a: Pork Import Trends (tons)
Year-to-date: January



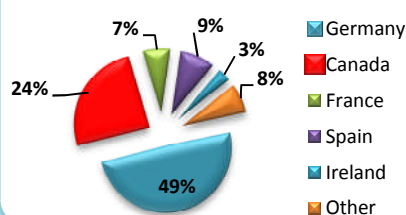
Graph 3b: Pork Monthly Import Trends (tons)



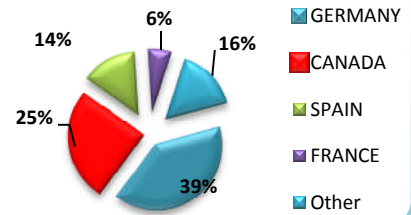
Graph 3c: Imports by Country - 2010



Graph 3d: Imports by Country - 2011



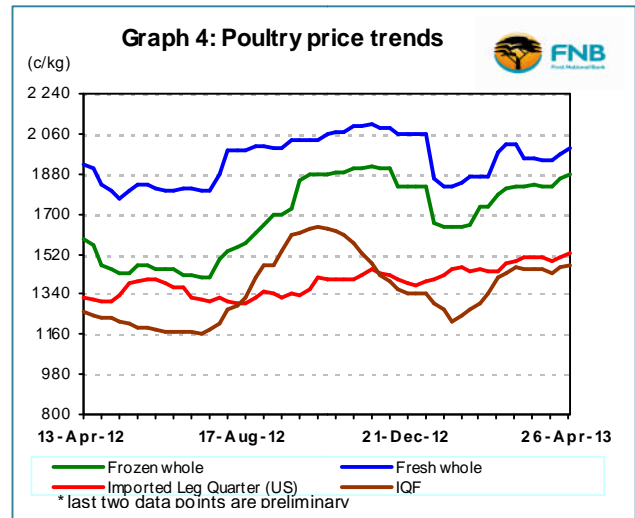
Graph 4e: Imports by Country - 2012



Source: SAPPO, SARS, Own Calculations

Poultry market trends (Graph 4)
International:

- US domestic prices were mostly firmer on light to moderate demand. Wings were again the exception, finishing modestly lower.
- Weekly wing prices fell by 3.4% w/w and 15.2% y/y to close at US159.33c/lb.
- Whole bird prices were firmer at US102.67c/lb, up by 0.2% w/w and 10.1% y/y.
- Weekly leg quarter prices gained 0.3% w/w and 3.1% y/y at US55.67c/lb.
- Breast cuts gained 2.1% w/w and 13.1% y/y at US114.00c/lb.
- Drumsticks closed at US71.00c/lb, up 0.7% w/w and 0.5% y/y.
- According to the Weekly USDA Broiler Hatchery report (19 States), broiler eggs set for the week ended 13 April 2013 were slightly up y/y at 200m. Average hatchability for chicks hatched remained at 84.0%. Broiler chick placements came in slightly lower y/y at 164.0m head.
- Cumulative broiler placements from December 30, 2012 through April 13, 2013 were up by 1.0% y/y at 2.5b head.

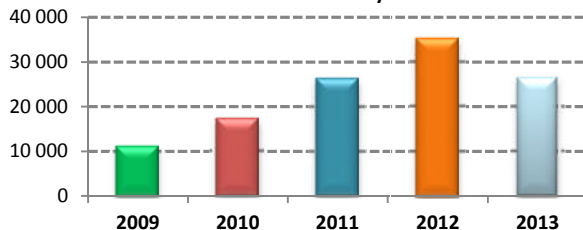

Domestic:

- The broiler market again saw marginal losses under pressure due to softer demand. Market activity was reportedly slow but there were gains in the low value products due to limited volumes.
- Weekly frozen whole bird prices were down by 1.3% w/w at R18.01 per kg, but still 15.4% higher y/y.
- Fresh whole bird prices were down by 1.0% w/w at R19.18 per kg, but 0.8% higher y/y.
- Prices for the Individually Quick Frozen (IQF) portions fell by 0.4% w/w but still 14.8% higher y/y at R14.28 per kg.
- Import parity prices bottomed out and increased on better international prices and a weaker Rand. Weekly import parity prices were up by 1.9% w/w and 15.3% y/y.

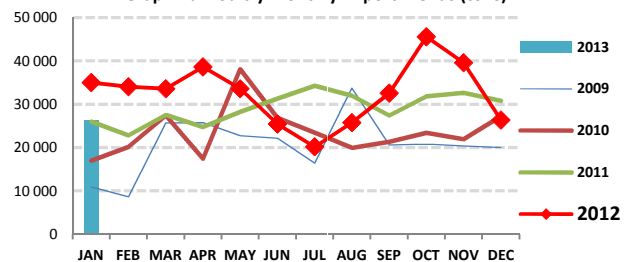
OUTLOOK

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

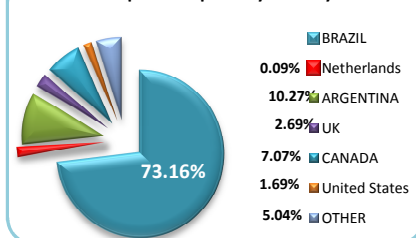
Graph 4a: Poultry Import Trends
Year-to-date: January



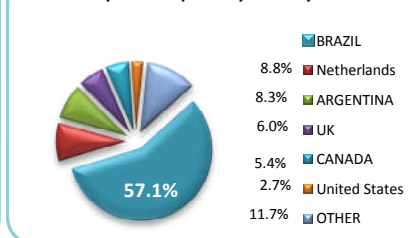
Graph 4b: Poultry Monthly Import Trends (tons)



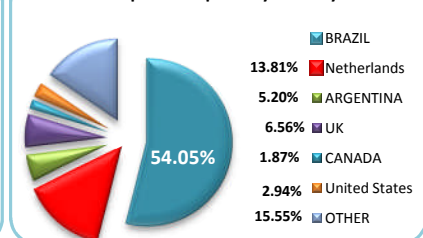
Graph 4c: Imports by Country - 2010



Graph 4d: Imports by Country - 2011



Graph 4e: Imports by Country - 2012

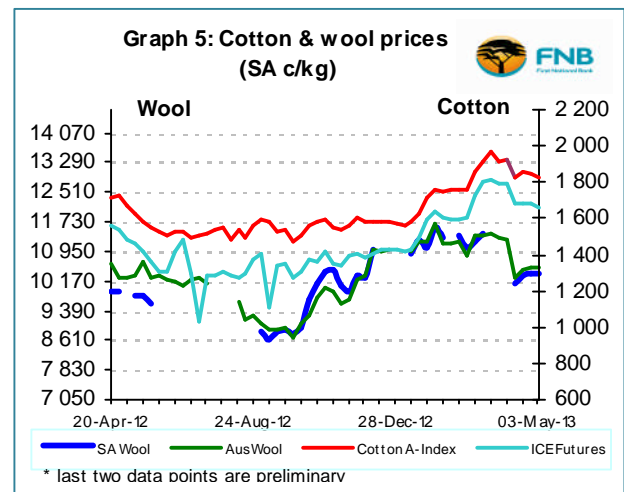


Source: SARS, Own Calculations

| Producer prices for selected livestock commodities 19 April 2013 | Beef | Mutton | Pork | Poultry |
|---|-------------|---------------|-------------|----------------|
| Open market: Class A / Porker / Fresh whole birds(R/kg) | 28.94 | 41.65 | 18.00 | 19.18 |
| Open market: Class C / Baconer / Frozen whole birds(R/kg) | 21.01 | 32.44 | 16.50 | 18.01 |
| Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg) | 28.25 | 42.00 | 17.39 | 14.28 |
| Import parity price (R/kg) | 21.33 | 25.57 | 18.89 | 15.12 |
| Weaner Calves / Feeder Lambs (R/kg) | 15.40 | 19.70 | | |

Wool and cotton market trends (Graph 5)
International:

- Cotton prices eased lower on concerns over reports that China would release state reserves that were built over the last two years to the market.
- The cotton A index fell by 2.6% w/w and 6.7% y/y to close at US92.50c/lb.
- Futures were down across the board: ICE Cotton futures for Jul-13 fell by 2.6% w/w at US87.62c/lb, Oct-13 was down by 2.9% w/w at US86.62c/lb, and Dec-13 was down by 1.8% w/w at US86.34c/lb.
- Wool: In Australia, the wool market rebounded and ended slightly firmer. The weekly Eastern Market Indicator (EMI) gained 0.6% w/w but still 13.7% lower y/y at AU\$10.05 per kg clean wool. Volumes offered were pegged at 43,708 bales with sales reaching 90.6%.


Domestic:

- The wool market rebounded on Rand weakness and a reduced offering. The Cape Wools Merino Indicator gained 2.2% w/w 4.2% y/y to close at R103.28 per kg clean wool. This is 0.9% and 18.2% higher than the current season's average and the opening sale respectively.
- Sales reached 98.0% of the 6,381 bales offered.
- Major buyers were Standard Wool SA with 2,286 (35.8%), Lempriere SA with 1,902 bales (29.8%), G Modiano SA with 1,067 bales (16.7%), and Stucken & Co with 631 bales (9.9%).

| Fibre market prices 19 April 2013 | SA prices (R/kg) | Australian prices (R/kg) | Australian futures Jul-13 (AU\$/kg) | Australian futures Oct-13 (AU\$/kg) |
|--|---|---|--|--|
| Wool market indicator (R/kg) | 103.28 | 104.91 | | |
| 19 μ long length wool (R/kg) | 111.96 | 110.64 | 11.55 | 10.95 |
| 21 μ long length wool (R/kg) | 104.76 | 105.93 | 11.05 | 10.45 |
| 23 μ long length wool (R/kg) | - | 101.54 | 9.85 | 9.25 |
| | SA derived Cotton (R/kg) | New York A-Index (US\$/kg) | Cotton Futures Jul-13 (US\$/kg) | Cotton Futures Oct-13 (US\$/kg) |
| Cotton Prices (R/kg) | 18.55 | 2.03 | 1.88 | 1.88 |

Cotton Futures on the InterContinental Exchange (ICE);

Yellow maize market (Graph 6)
International:

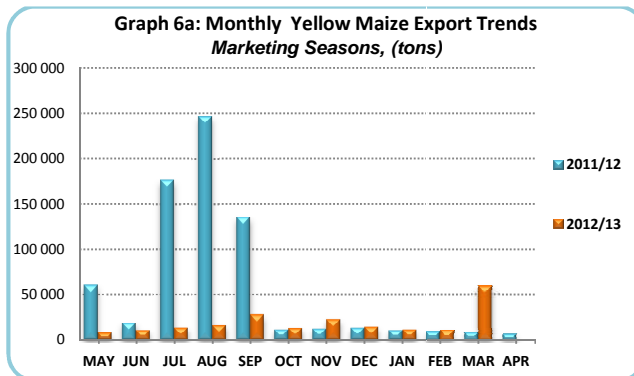
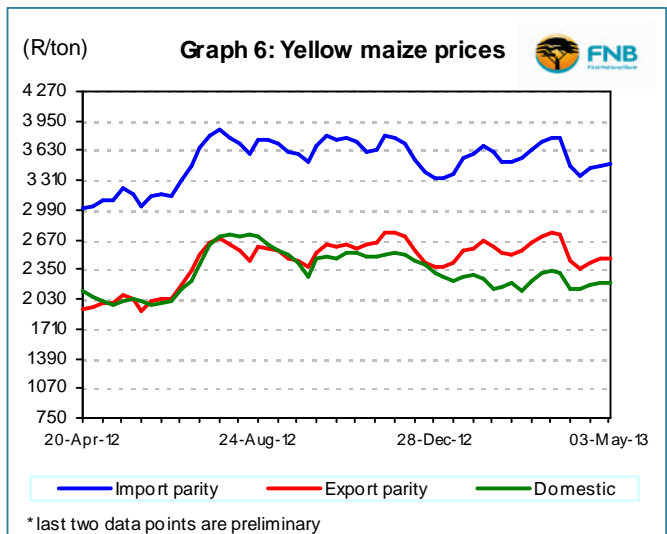
- US maize prices posted marginal gains after a slow start to the week. The market found support from strength in the stock market along with concerns over the slow start to the maize planting.
- The first planting progress report indicated that 2.0% of the crop was planted, way below last year's 16.0% and the 5 year average of 7.0%.
- Cold weather has hampered field work and the planting progress.
- The expected planted area for the US came in at a record 39.4m ha in the April USDA prospective planting estimates, which is the highest since 1936.

Domestic:

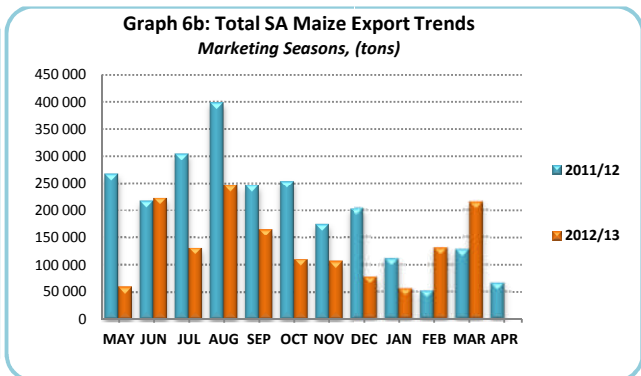
- Domestic prices extended recent gains on spill over support from CBOT and renewed Rand weakness.
- Weekly yellow maize prices increased by 1.8% w/w and 2.3% y/y, closing at R2,179 per ton.
- In the futures market: YMAZ for Jul-13 delivery fell by 2.6% w/w (-R56/t), and Sep-13 was down by 2.5% w/w (-R54/t).

OUTLOOK

Trends are expected to remain on the downside in the short to medium term on bearish supply outlook in the US. However, lingering domestic supply tightness will help limit further losses.



Source: SAGIS



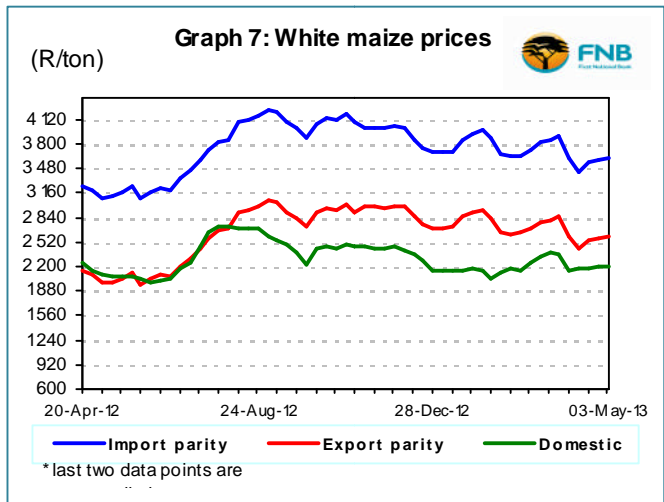
| Yellow Maize Futures 19 April 2013 | Jul-13 | Sep-13 | Dec-13 | Mar-14 | May-14 | | | |
|---|--------|--------|--------|--------|--------|--------|-----|------|
| CBOT (\$/t) | 256.89 | 249.40 | 225.37 | 215.52 | 219.54 | | | |
| JSE (R/t) | 2 092 | 2 126 | 2 167 | 2 199 | - | | | |
| CHICAGO CORN (R/t) | 2 279 | 2 066 | 1 995 | - | - | | | |
| Calculated Yellow Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005) | | | | | | | | |
| Jul-13 | | | Sep-13 | | | Dec-13 | | |
| Ask | Put | Call | Ask | Put | Call | Ask | Put | Call |
| 2 140 | 127 | 79 | 2 160 | 165 | 131 | 2 200 | 194 | 161 |
| 2 100 | 105 | 97 | 2 120 | 143 | 149 | 2 160 | 172 | 179 |
| 2 060 | 85 | 117 | 2 080 | 122 | 168 | 2 120 | 151 | 198 |

White maize market trends (Graph 7)
International:

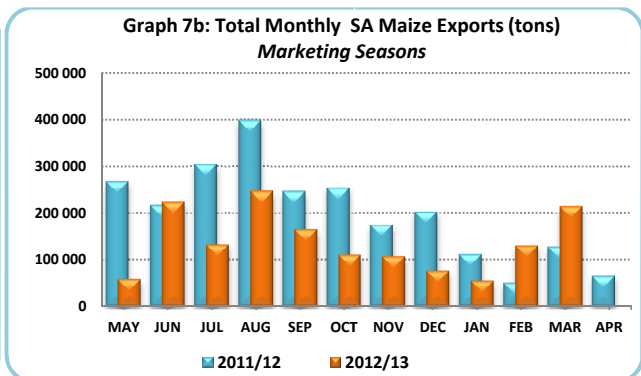
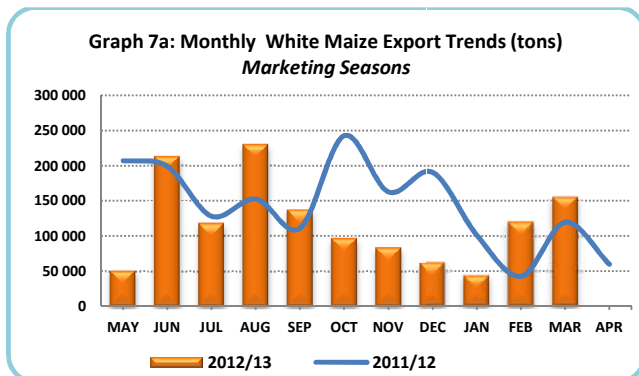
- US white maize spot prices reversed recent losses as cool and wet conditions delayed planting.
- The weekly average white maize prices closed at US\$274 per ton, up by 1.9% w/w but down by 1.3% y/y.

Domestic:

- White maize prices posted marginal gains due to the weaker Rand and the spill over strength from the international market. The Rand lost ground against the US dollar, averaging R9.14 for week compared to R8.95 last week.
- Weekly white maize prices were up 0.1% w/w but still down by 3.7% y/y at R2,169 per ton.
- WMAZ for Jul-13 delivery fell by 2.8% w/w (-R61/t), and Sep-13 was down by 3.0% w/w (-R67/t).


OUTLOOK

Trends are expected to remain on the downside in the short to medium term on bearish supply outlook in the US. However, lingering domestic supply tightness will help limit further losses.



Source: SAGIS;

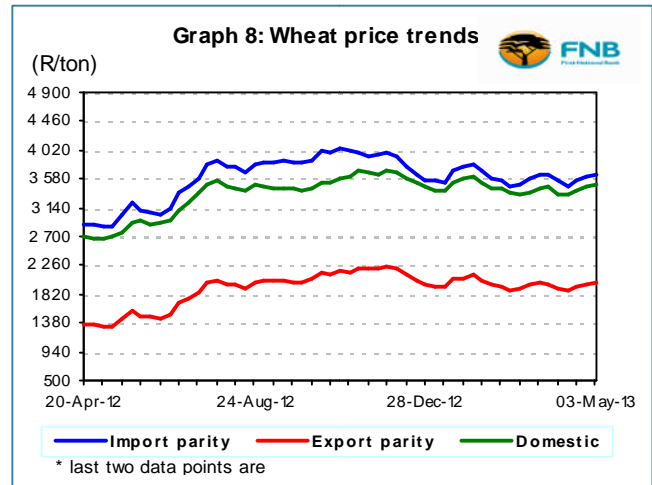
| White Maize Futures 19 April 2013 | Jul-13 | Sep-13 | Dec-13 | Mar-14 | May-14 | | | |
|---|--------|--------|--------|--------|--------|--------|-----|------|
| JSE (R/t) WM ₁ | 2 119 | 2 150 | 2 198 | 2 211 | - | | | |
| Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005) | | | | | | | | |
| May-13 | | | Jul-13 | | | Sep-13 | | |
| Ask | Put | Call | Ask | Put | Call | Ask | Put | Call |
| 2 160 | 118 | 77 | 2 200 | 168 | 118 | 2 240 | 219 | 177 |
| 2 120 | 95 | 94 | 2 160 | 145 | 135 | 2 200 | 196 | 194 |
| 2 080 | 76 | 115 | 2 120 | 124 | 154 | 2 160 | 175 | 213 |

Wheat market trends (Graph 8)
International:

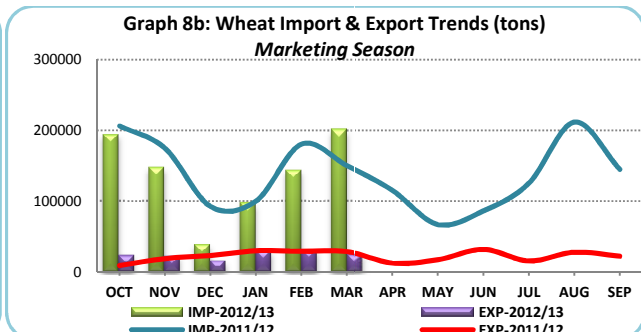
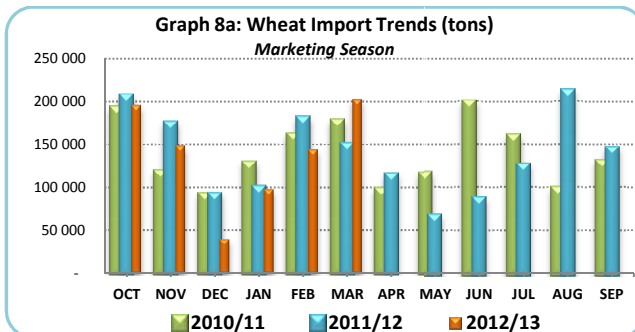
- Wheat prices remained on an extended uptrend due to concerns over crop losses due to cold weather in the US plains.
- Strong export and domestic feed demand provided added support.
- Crop condition rating for wheat in the US came in at 36.0% in good to excellent condition.
- US weekly export sales were strong, coming in at 1.7m tons with 552,100 tons for 2012/13 and 1.1m tons for the 2013/14 season.

Domestic:

- Wheat prices posted slight gains supported by a weaker Rand and gains on the international market.
- Weekly wheat prices gained 1.7% w/w and 25.9% y/y to close at R3,397 per ton.
- Wheat for July 2013 gained 0.9% w/w (+R32/t), and Sep-13 ended up 1.1% w/w (+R 36/t).


OUTLOOK

Prices are however expected to trend firmer in the short term on gains on the international wheat market and the supportive Rand.



Source: SAGIS;

| Wheat Futures 19 April 2013 | Jul-13 | Sep-13 | Dec-13 | Mar-14 | May-14 | | | |
|--|------------|-------------|---------------|------------|-------------|---------------|------------|-------------|
| KCBT (\$/t) | 275.72 | 279.84 | 285.94 | 290.50 | 291.16 | | | |
| JSE (R/t) | 3 450 | 3 422 | 3 279 | - | - | | | |
| Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005) | | | | | | | | |
| Jul-13 | | | Sep-13 | | | Dec-13 | | |
| Ask | Put | Call | Ask | Put | Call | Ask | Put | Call |
| 3 500 | 128 | 78 | 3 460 | 214 | 176 | 3 320 | 284 | 243 |
| 3 460 | 105 | 95 | 3 420 | 192 | 194 | 3 280 | 261 | 260 |
| 3 420 | 85 | 115 | 3 380 | 172 | 214 | 3 240 | 240 | 279 |

Oilseed market trends (Graph 9)
International:

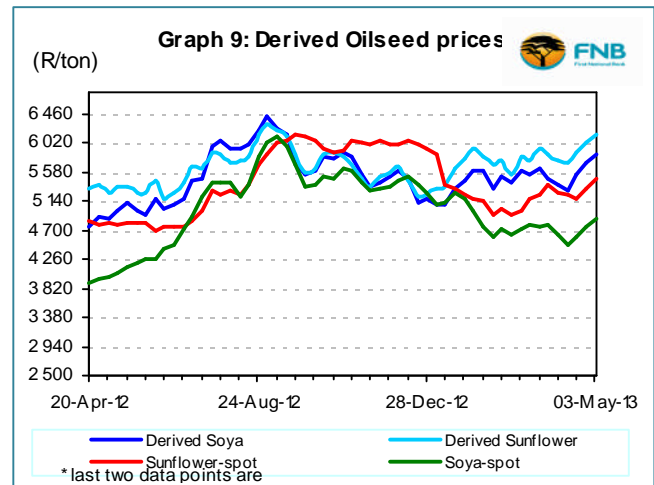
- Prices were mostly higher in the soybean complex with the exception of soyoil.
- Soybeans saw gains on weather concerns and the lack of producer selling.
- Exports out of Argentina and Brazil have reportedly started to move albeit at a slow pace.
- Meanwhile, USDA reported that the US National Oilseed Processors Association (NOPA) crush was up by 0.6% m/m at 3.7m tons but 0.3% below market estimates.
- The average weekly soybean prices were up by 1.8% w/w and 2.0% y/y at US\$556/t.
- Soymeal priced jumped 4.6% w/w and 11.0% y/y to close the week at US\$431/t.
- Soyboil priced dropped by 0.4% w/w and 8.3% lower y/y at US50c/lb.

Domestic:

- Oilseeds traded on the JSE ended mixed with gains in soybeans on supportive CBOT and a weaker Rand.
- Weekly soybean prices gained 3.1% w/w and 18.4% y/y to close at R4,609 per ton.
- Sunflower prices eased lower, closing down 1.1% w/w but still 7.4% higher y/y at R5,184 per ton.

OUTLOOK

Weather and crop developments in the US will continue to influence direction in the short to medium term. Favourable crop conditions will exert more downward pressure on prices.



| Oilseeds Futures 19 April 2013 | Jul-13 | Sep-13 | Dec-13 | Mar-14 | May-14 |
|-----------------------------------|--------|--------|--------|--------|--------|
| CBOT Soybeans (US \$/t) | 507.94 | 462.31 | - | 451.07 | 453.05 |
| CBOT Soya oil (US c/lb) | 49.18 | 48.94 | 48.47 | 48.47 | 48.48 |
| CBOT Soya cake meal (US\$/t) | 443.68 | 393.97 | 371.81 | 376.88 | 379.42 |
| JSE Sunflower seed (R/t) | 5 268 | 5 379 | 5 503 | - | - |
| JSE Soybean seed (R/t) | 4 794 | 4 826 | 4 850 | - | - |

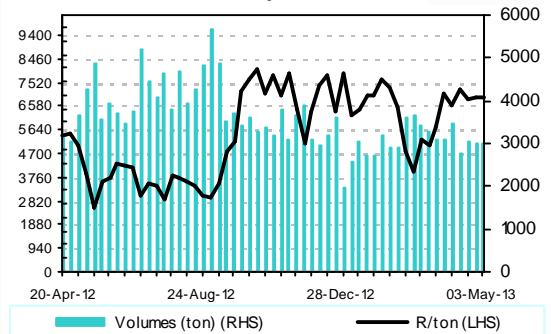
Calculated Sunflower Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)

| Jul-13 | | | Sep-13 | | | Dec-13 | | |
|--------|-----|------|--------|-----|------|--------|-----|------|
| Ask | Put | Call | Ask | Put | Call | Ask | Put | Call |
| 5 300 | 279 | 247 | 5 420 | 410 | 369 | 5 540 | 424 | 387 |
| 5 260 | 258 | 266 | 5 380 | 389 | 388 | 5 500 | 402 | 405 |
| 5 220 | 237 | 285 | 5 340 | 367 | 406 | 5 460 | 381 | 424 |

Vegetable Market Trends (Graphs 10 to 14)
Tomatoes

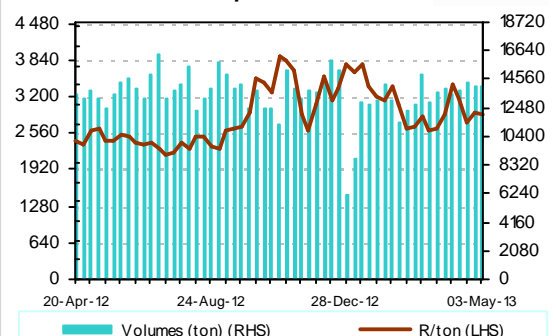
Tomato prices reversed recent gains and declined under pressure due to increased supplies on markets. Weekly tomato prices fell by 6.2% w/w to close at R6,818 per ton, but still up by 25.1% y/y. Volumes traded came in at 3,040 tons, up by 10.0% w/w but were 2.6% lower y/y.

Prices are expected to trend sideways to firmer on improved uptake in the short term.

Graph 10: Fresh Produce Markets - Tomatoes prices

Potatoes

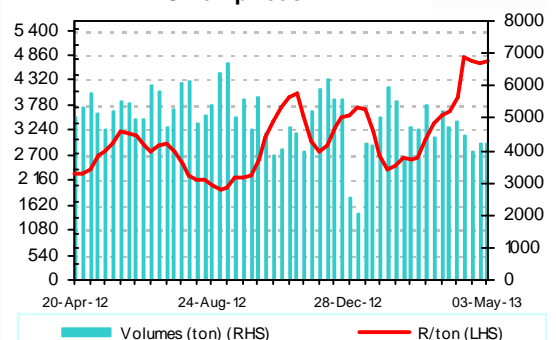
Potato prices continued to weaken on softer uptake and higher volumes across markets. Weekly potato prices fell by 13.0% w/w but still 13.0% higher y/y at R2,738 per ton. Volumes of potatoes traded rose by 3.8% w/w and 6.5% y/y, totalling 14,276 tons.

It is expected that prices will bottom out and firm slightly in the short term on moderation in supplies.

Graph 11: Fresh Produce Markets - Potatoes prices

Onions

Onion prices eased lower due to increased supplies and limited uptake on markets. Weekly onion prices fell by 2.1% w/w to close at R4,738 per ton, but up by a whopping 106.2% y/y. Volumes of onions traded were pegged at 3,996 tons, falling by 10.8% w/w and 20.3% y/y.

Prices are expected trend sideways in the short term on volume pressure.

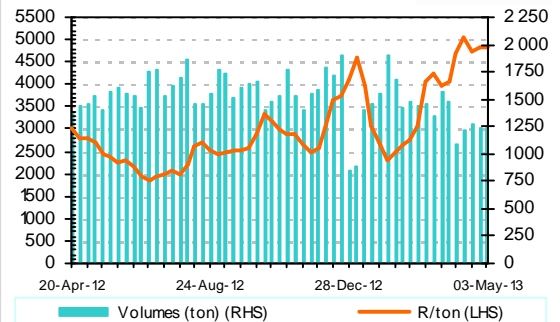
Graph 12: Fresh Produce Markets - Onion prices


Carrots

Carrot prices reversed recent gains and moved modestly lower for the week. Weekly carrot prices fell by 5.9% w/w to close at R4,744 per ton, but still 56.8% higher y/y. Volumes of carrots traded came in at 1,264 tons, up by 4.0% w/w but still 8.8% lower y/y.

Prices are expected to ease slightly in the short term on improved supplies.

Graph 13: Fresh Produce Markets - Carrot prices



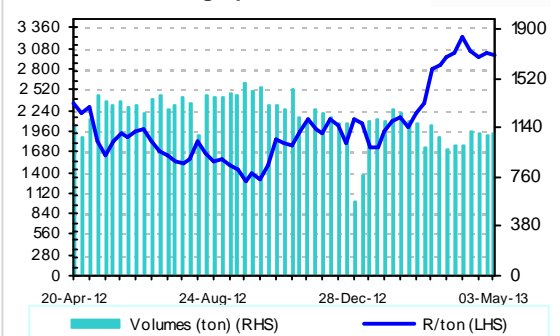
* last two data points are preliminary

Cabbages

Cabbage prices continued to drift lower under pressure due to limited uptake despite reduced volumes on markets. Weekly cabbage prices were down by 3.0% w/w, but still 26.1% higher y/y at R2,959 per ton. Volumes of cabbages traded were down by 2.01% w/w and 5.5% y/y, reaching 1,091 tons for the week.

Prices are expected to trend sideways with some upward potential in the short term as demand improves.

Graph 14: Fresh Produce Markets - Cabbage prices



* last two data points are preliminary

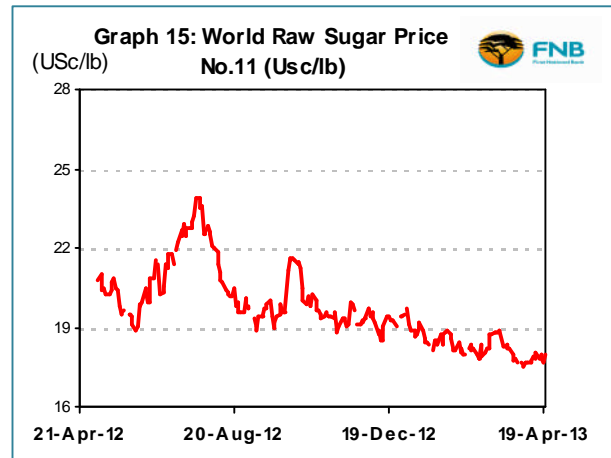
**Vegetable prices: South Africa's Major Fresh Produce Markets.
(Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)**

| Week ending 19 April 2013 | Average Price (R/t) | w/w | y/y | Total Volume (t) | w/w | y/y |
|------------------------------|------------------------|--------|--------|---------------------|--------|--------|
| Tomato | 6 818 | -6.2% | 25.1% | 3040 | 10.0% | -2.6% |
| Potato | 2 738 | -13.0% | 13.0% | 14276 | 3.8% | 6.5% |
| Onion | 4 738 | -2.1% | 106.2% | 3996 | -10.8% | -20.3% |
| Carrot | 4 744 | -5.9% | 56.8% | 1264 | 4.0% | -8.8% |
| Cabbage | 2 959 | -3.0% | 26.1% | 1091 | -2.1% | -5.5% |

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

Sugar market trends (Graph 15)
International:

- Raw Sugar prices extended recent gains on concerns over delays in Brazil due to poor harvest conditions.
- Meanwhile, the International Sugar Organization is reported to have forecast 8.5m tons of excess sugar for the current season partly due to a large crop expected from Brazil. This is negative for prices in the short to medium term.
- However the increased blending requirements in Brazil and subsequent diversion of cane to ethanol will offset the downward impact of the large crop on prices due to the reduced availability for the production of the sweetener.
- Weekly raw sugar prices gained 0.1% w/w /w but still down by 2.04% y/y at US17.86c/lb.
- Futures on the InterContinental Exchange: Raw sugar futures for July 2013 was up 0.2% w/w at US17.88c/lb, Oct-13 gained 0.1% w/w at US18.23c/lb, and Mar-14 gained 0.1% w/w at US19.08c/lb.


Domestic:

According to the Cane Growers Association, the final RV price in respect of cane delivered in 2012/13 season was declared at R3 197.32 per ton. The price was R42.12 per ton higher than the previous estimated price (cane delivered in January 2013). The increase in the final price was due to the impact of the sugar notional price adjustment that came into effect on 12 February 2013. Earlier estimates had anticipated that the final price would reach R3 200 per ton. This expectation was not achieved because of late adjustments, which saw final sugar production for the season falling by 6 653 tons. The resultant drop in the sugar: RV ratio (93.27% vs. 93.49%) was the main reason that the final price just failed to reach R3 200 per ton.

| ICE Sugar Futures 19 April 2013 | Jul-13 | Oct-13 | Mar-14 | May-14 | Jul-14 |
|------------------------------------|--------|--------|--------|--------|--------|
| Sugar No.11 (US c/lb) | 17.88 | 18.23 | 19.08 | 19.22 | 19.35 |
| % Change w/w | 0.2% | 0.1% | 0.1% | 0.2% | 0.2% |

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.