

Agri-Weekly

29 March 2013

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Beef market trends (Graph 1)

International:

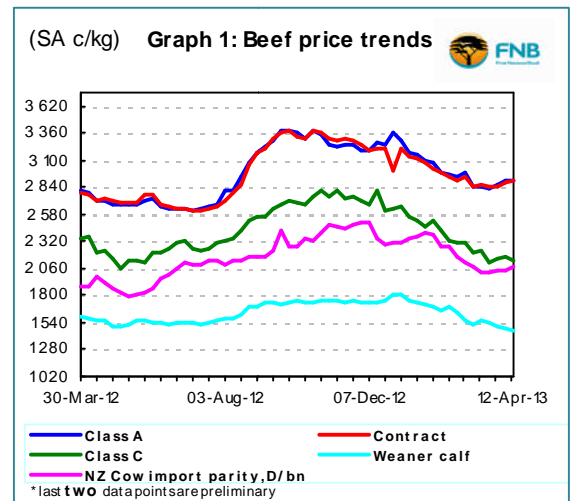
- US lean manufacturing beef prices softened on light demand and moderate to heavy supplies.
- Market activity on imported beef was reportedly moderate with prices ending firm to higher.
- The drought in the producing areas of Australia (AU) and New Zealand (NZ) has led to a larger than expected cattle culling.
- In NZ, cattle slaughter for the week ended 16 March was reported at a single week record of just over 83,000 head. This was largely due to an all-time high cattle throughput and surpassed the 1998 record by 9.0%.
- At wholesale level, US boxed beef cutout values were lower on light to moderate demand and increased.

Domestic:

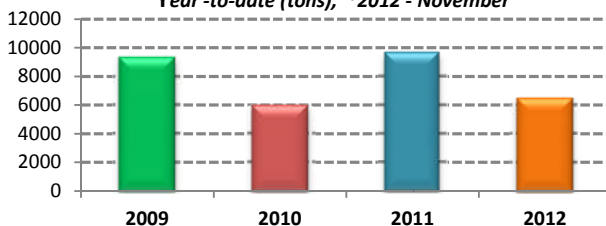
- The beef market ended mixed with slight gains in Class A beef prices. Weekly Class A beef prices increased by 1.6% w/w and 2.4% y/y to close at R28.75 per kg.
- Class C beef gained 1.4% w/w but down by 8.6% y/y at R21.50 per kg.
- Contract Class A beef prices were a bit softer at R28.41 per kg, down by 0.1% w/w but up 2.0% y/y.
- Weaner calf prices again saw losses on weakening demand. Weekly weaner calf prices fell by 2.6% w/w and 6.4% y/y at R14.94 per kg live weight.

OUTLOOK

Prices are expected to trend sideways with limited upward potential due to volume pressure.

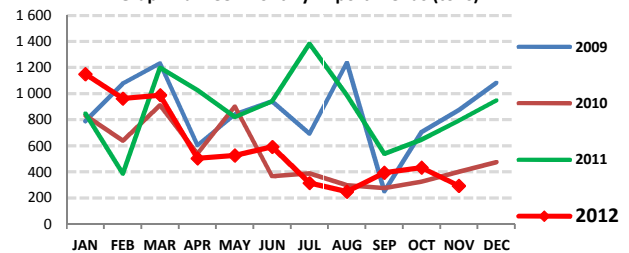


Graph 2a: Beef Import Trends
Year-to-date (tons), *2012 - November



Source: SARS, Own Calculations

Graph 2b: Beef Monthly Import Trends (tons)



Mutton market trends (Graph 2)

International:

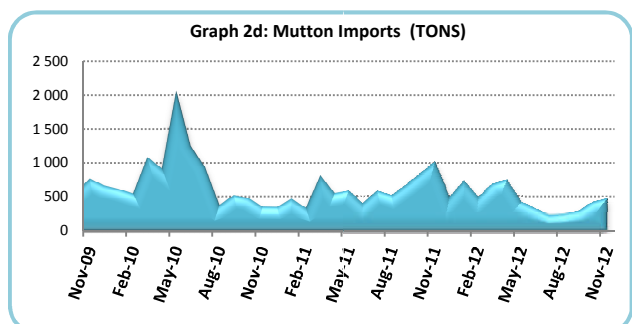
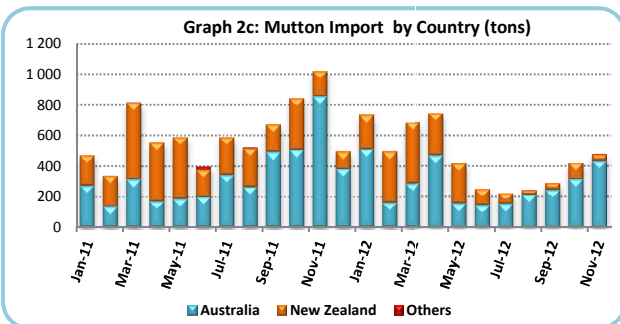
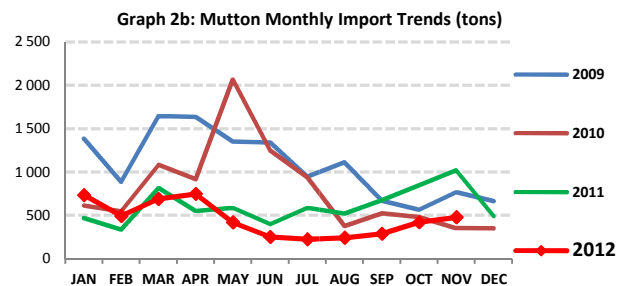
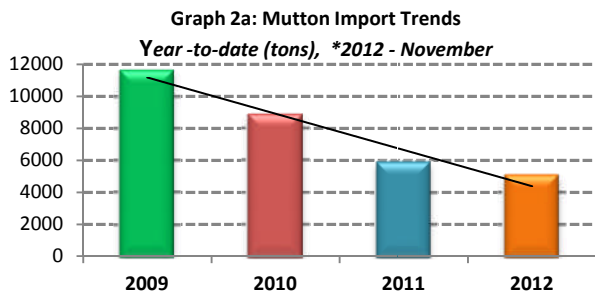
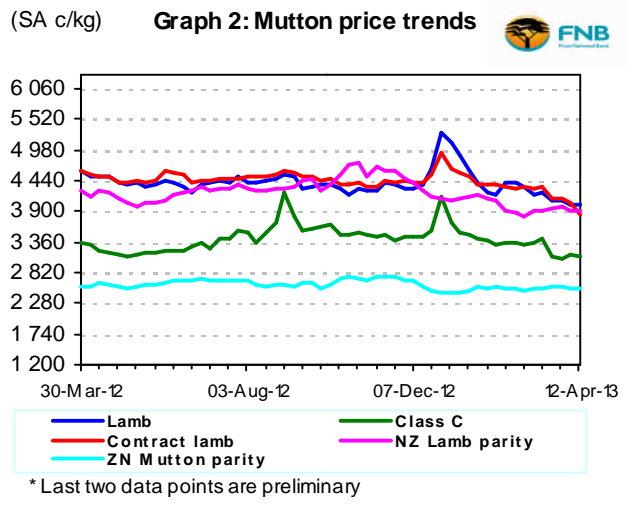
- In New Zealand (NZ), producer prices remained under pressure and trended sideways.
- Weekly lamb prices steadied at NZ\$74.70 per head for the 17.5kg live weight, but still down by 26.0% y/y. Mutton prices were unchanged w/w at NZ\$49.3 per head for the 21kg live weight.
- NZ has experienced very dry conditions which saw lamb slaughter running at an elevated pace. This was however matched by good export demand with producers reportedly receiving good prices.
- In Australia, the lamb market reversed recent gains and eased lower under pressure due to improved supplies.
- The Eastern Trades Lamb Indicator (ESTLI) fell by 1.2% w/w and 9.3% y/y at AU\$4.28 per kg cwt.
- In the US, lamb carcass prices were mostly higher for the lighter weights and sideways for the heavier categories.
- US lamb carcass cut-out prices closed at US\$261.92/cwt.

Domestic:

- The lamb and mutton markets eased lower due to weak uptake in a short trading week
- Weekly Class A lamb prices fell by 3.0% w/w and 5.5% y/y to close at R40.85 per kg
- Contract Class A lamb fell by 5.3% w/w and 9.7% y/y at R41.04 per kg
- Mutton saw sharp losses and closed down by 9.4% w/w and 6.5% y/y at R31.08 per kg
- Weaner lambs saw marginal gains with prices closing up 0.9% w/w but still 12.5% lower y/y at R19.25 per kg live weight

OUTLOOK

Prices are expected to sideways with limited upside potential due to volume pressure.



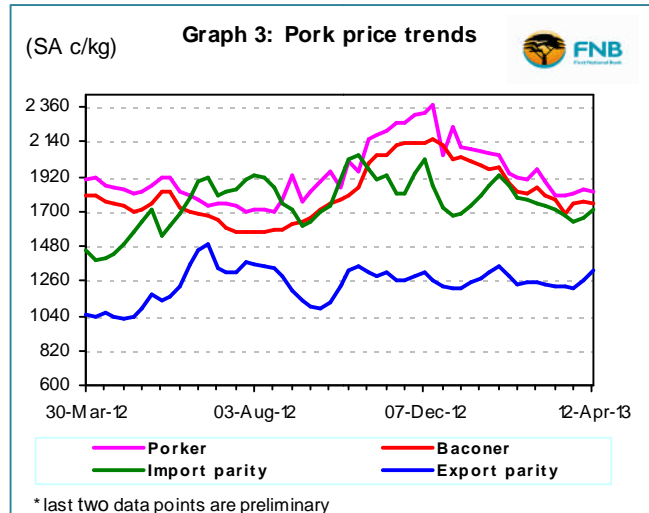
Source: SARS, Own Calculations

Pork market trends (Graph 3)
International:

- US domestic pork prices were down across most categories.
- Carcass prices closed at US\$77.40/cwt, down by 0.7% w/w and 3.3% y/y.
- Rib prices were down by 1.0% w/w and 8.1% y/y at US\$128.46/cwt.
- Ham prices fell by 3.9% w/w and 9.4% y/y to close at US\$54.32/cwt
- Loin prices were the exception, gaining 0.3% w/w to close at US\$86.41/cwt but 10.3% lower y/y.

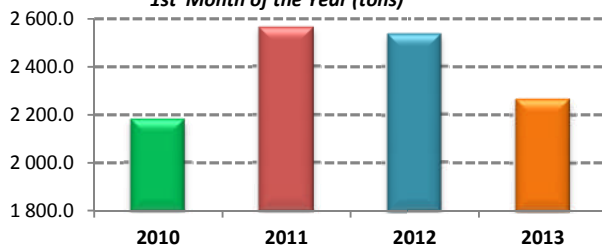
Domestic:

- Prices were slight to moderately higher on improved uptake in a short trading week.
- Weekly porker prices increased by 0.6% w/w at R18.12 per kg but 4.9% lower y/y.
- Baconer prices gained 3.5% w/w to close at R17.48 per kg, but still 3.2% lower y/y.
- Import parity prices eased slightly lower mainly on the back of weaker international prices. Weekly import parity prices were down by 2.9% w/w but still 11.9% higher y/y.
- Monthly pork imports came in sharply lower during February.
- Total imports were pegged at 1,684 tons, down by 25.5% m/m and 54.8% y/y. Cumulative year to date imports reached 3,944 tons, down by 36.9% y/y.
- Major import sources for the year to date are Germany with 1,476 tons (37.4%), Canada with 924 tons (23.4%), Spain with 351 tons (8.9%), the United States with 295 tons (7.5%), the UK with 232 tons (5.9%), and others contributing 665 tons(16.9%).

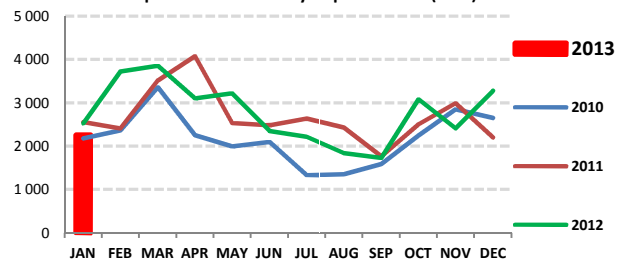

OUTLOOK

It is expected that prices will trend sideways with limited upward potential due to softer demand.

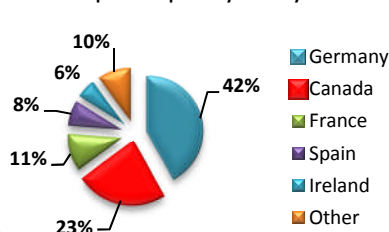
Graph 3a: Pork Import Trends
1st Month of the Year (tons)



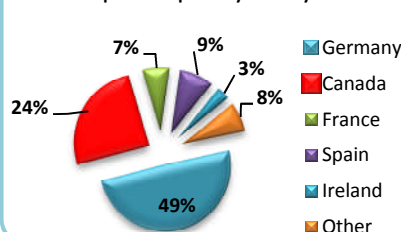
Graph 3b: Pork Monthly Import Trends (tons)



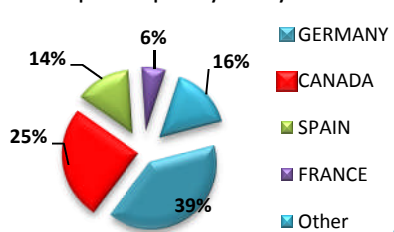
Graph 3c: Imports by Country - 2010



Graph 3d: Imports by Country - 2011



Graph 4e: Imports by Country - 2012

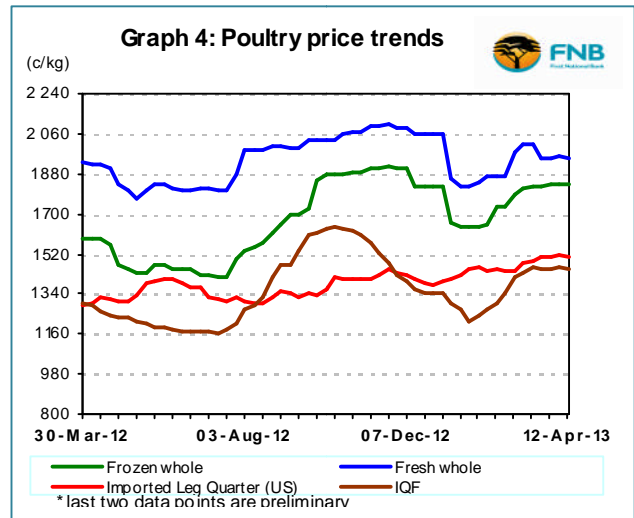


Source: SAPPO, SARS, Own Calculations

Poultry market trends (Graph 4)

International:

- US domestic prices continued to post good gains across most categories. Demand at retail and food service was reportedly light to moderate ahead of the weekend.
- Whole bird prices closed at US101.92c/lb, gaining 0.2% w/w and 9.3% y/y.
- Breast cuts were up 0.5% w/w and 10.9% y/y at US111.25c/lb.
- Wing prices fell by 1.1% w/w and 7.1% y/y to close at US175.50c/lb.
- Leg quarters softened by 0.2% w/w at US54.75c/lb, but still 1.1% higher y/y.
- According to the Weekly USDA Broiler Hatchery report (19 States), broiler eggs set for the week ended 16 March 2013 increased by 1.0% y/y to 200m. Average hatchability for chicks hatched remained at 84.0%. Broiler chick placements came in at 165m head, up by 1.0% y/y.
- Cumulative broiler placements from December 30, 2012 through March 16, 2013 were up by 1.0% y/y at 1.80b head.



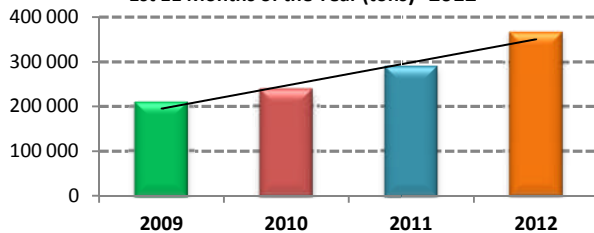
Domestic:

- The broiler market saw prices trending steady to firmer for the week.
- Weekly frozen whole bird prices were marginally higher by 0.7% w/w to close at R18.32 per kg, which is 15.1% higher y/y.
- Fresh whole birds steadied at R19.54 per kg, but still 1.3% higher y/y.
- Individually Quick Frozen (IQF) portions remained unchanged w/w but still 11.9% higher y/y at R14.54 per kg.

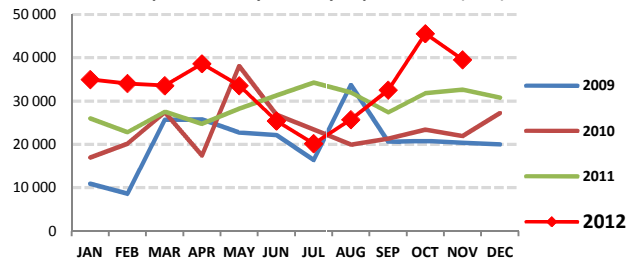
OUTLOOK

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

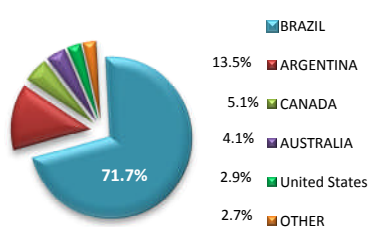
Graph 4a: Poultry Import Trends
1st 11 Months of the Year (tons) -2012



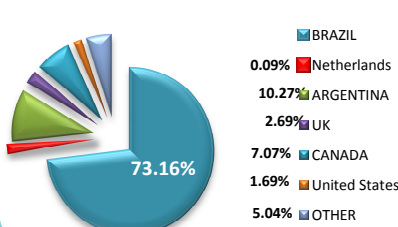
Graph 4b: Poultry Monthly Import Trends (tons)



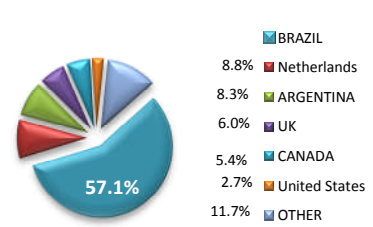
Graph 4c: Imports by Country - 2009



Graph 4d: Imports by Country - 2010



Graph 4e: Imports by Country - 2011



Source: SARS, Own Calculations

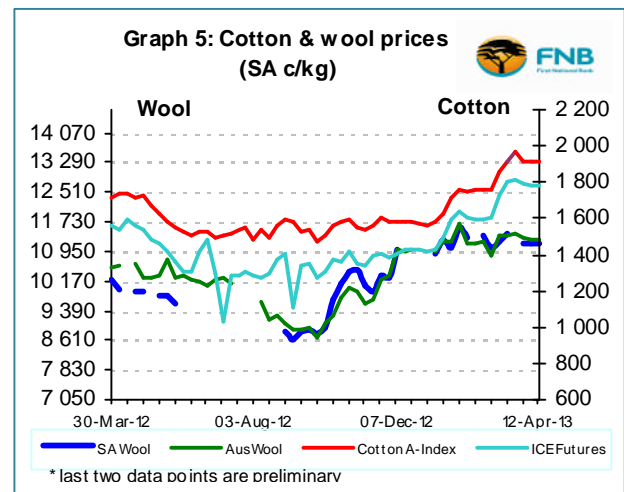
Producer prices for selected livestock commodities 29 March 2013	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	28.75	40.80	18.12	19.54
Open market: Class C / Baconer / Frozen whole birds(R/kg)	21.50	30.72	16.40	18.32
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	28.41	41.08	17.48	14.54
Import parity price (R/kg)	20.22	25.92	17.29	15.17
Weaner Calves / Feeder Lambs (R/kg)	14.94	19.50		

Wool and cotton market trends (Graph 5)
International:

- Cotton prices reversed recent gains and eased lower for the week.
- The cotton A index decreased by 2.8% w/w and 7.5% y/y to close at US\$94.11c/lb.
- Futures on the InterContinental Exchange (ICE): Cotton for Jul-13 fell by 3.9% w/w at US\$87.82c/lb, Oct-13 was down by 3.2% w/w US\$86.26c/lb, Dec-13 was down by 2.4% w/w US\$86.25c/lb.
- Wool: In Australia, the wool market continued to weaken which saw the Eastern Market Indicator falling by 2.0% w/w 12.6% y/y to close the week at AU\$10.59 per kg clean wool. Volumes offered were pegged at 43,730 bales with sales reaching 88.7%.

Domestic:

- The wool market posted another decline with the Cape Wools Merino Indicator finishing down by 2.2% w/w but still 9.5% higher y/y to close at R111.72 per kg clean wool. This was 9.2% and 27.9% higher than the current season's average and the opening sale respectively.
- Sales reached 99.0% of the 13,475 bales offered.
- Major buyers were Standard Wool SA with 3,429 bales (25.5%), Lempriere SA with 3,125 bales (23.2%), G Modiano SA with 2,957 bales (21.9%), and Stucken & Co with 2,868 bales (21.3%).



Fibre market prices 29 March 2013	SA prices (R/kg)	Australian prices (R/kg)	Australian futures May-13 (AU\$/kg)	Australian futures Oct-13 (AU\$/kg)
Wool market indicator (R/kg)	111.72	113.00		
19 μ long length wool (R/kg)	117.99	118.63	11.65	11.10
21 μ long length wool (R/kg)	112.56	113.60	10.90	10.35
23 μ long length wool (R/kg)	-	110.46	9.30	8.75
	SA derived Cotton (R/kg)	New York A-Index (US\$/kg)	Cotton Futures Jul-12 (US\$/kg)	Cotton Futures Oct-13 (US\$/kg)
Cotton Prices (R/kg)	19.70	2.07	1.93	1.90

Cotton Futures on ICE;

Yellow maize market (Graph 6)
International:

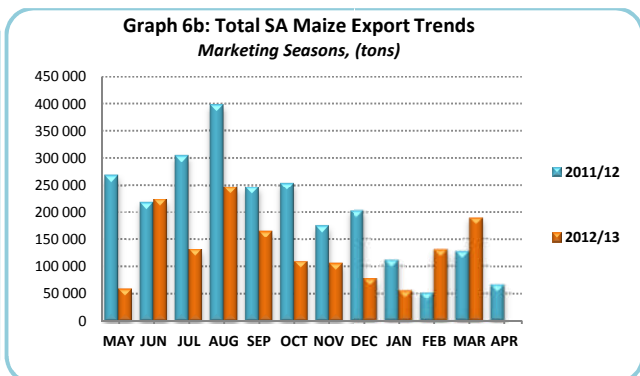
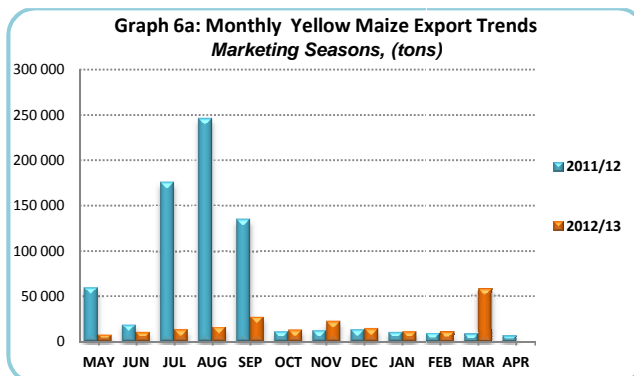
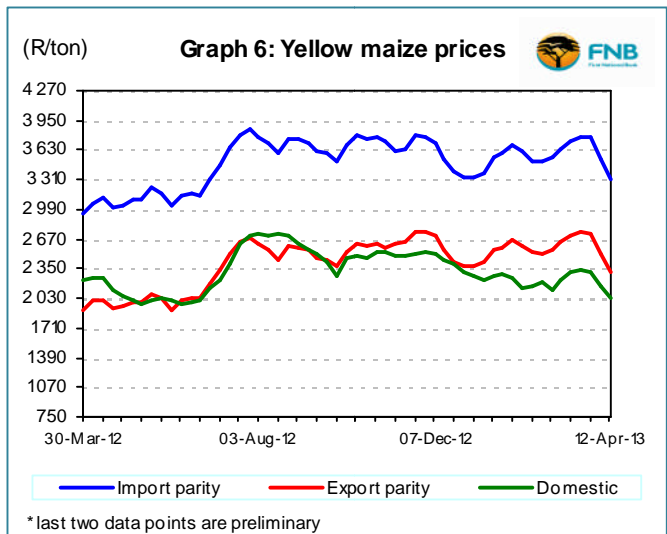
- US maize prices tumbled as USDA reports came out bearish with the March 1 stocks above expectations at 137.1m tons.
- The expected planted area for the US came in at a record 39.4m ha, which is the highest since 1936.
- Market focus has now turned to concerns over potential surpluses than shortages. This will see prices coming under pressure in the short to medium term.
- Futures on CME: Maize for Jul-13 fell by 4.6% w/w at US\$266/t, Sep-13 was down by 5.6% w/w at US\$222/t, and Dec-13 was down by 4.7% w/w at US\$212/t.

Domestic:

- This week, prices eased lower on bearish news out of the US.
- Weekly yellow maize prices softened by 0.6% w/w and 4.0% y/y to close at R2,314 per ton.
- Weekly export sales were pegged at 1,538 tons and 209,188 tons for the season to date.
- In the futures market (JSE): YMAZ for Jul-13 fell by 2.0% w/w (-R36/t), Sep-13 was down by 1.7% w/w (-R42/t), and Dec-13 was down by 1.4% w/w (-R34/t).

OUTLOOK

It is expected that prices will weaken on spill over pressure from the international market. However, the tight domestic supply outlook will help limit losses.



Yellow Maize Futures 29 March 2013	May-13	Jul-13	Sep-13	Dec-13	Mar-14			
CBOT (\$/t)	273.91	266.34	221.82	212.13	215.99			
JSE (R/t)	2 305	2 305	2 329	2 364	2 276			
CHICAGO CORN (R/t)	2 688	2 638	2 244	2 150	-			
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
2 260	86	51	2 260	143	108	2 280	168	137
2 220	64	69	2 220	121	126	2 240	146	155
2 180	45	90	2 180	101	146	2 200	126	175

White maize market trends (Graph 7)
International:

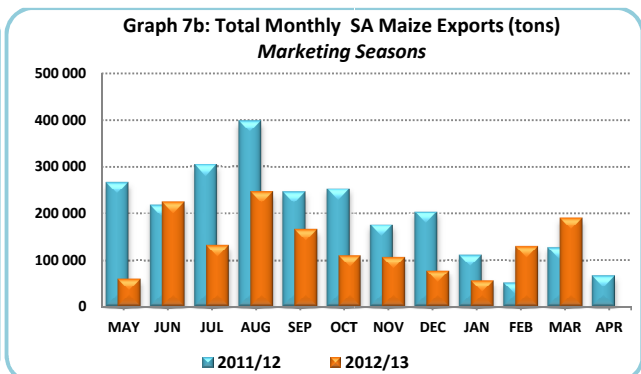
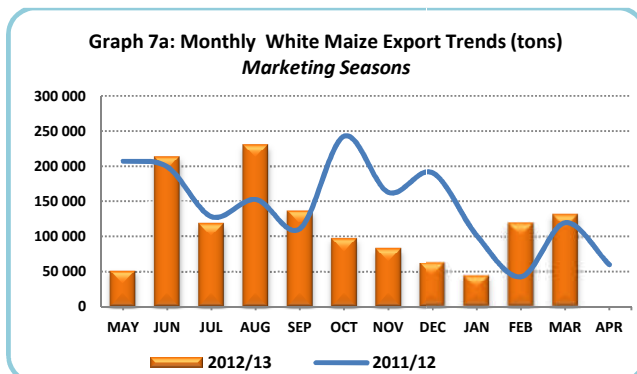
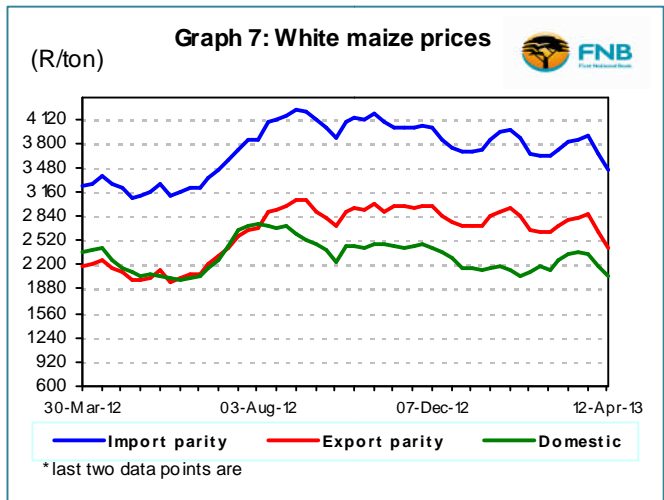
- Unlike the yellow counterpart, the US white maize spot prices finished slightly higher for the week.
- The weekly average white maize prices closed at US\$304 per ton, up by 1.7% w/w and 5.8% y/y.

Domestic:

- White maize prices reversed recent gains and eased lower on bearish crop news in the US.
- Weekly white maize prices were down by 1.1% w/w and 0.8% y/y at R2,345 per ton.
- Weekly white maize export sales came in at 23,554 tons, with total sales for the season reaching tons 1.32m tons. Cumulative maize export sales for the 2012/13 season reached 1.53m tons (White and Yellow maize).
- WMAZ futures on the JSE: WMAZ for Jul-13 eased lower by 1.0% w/w (-R23/t), Sep-13 was down by 0.9% w/w (-R21/t), and Dec-13 was down by 0.8% w/w (-R18/t).

OUTLOOK

It is expected that prices will weaken on spill over pressure from the international market. However, the tight domestic supply outlook will help limit losses.



Source: SAGIS;

White Maize Futures 29 March 2013	May-13	Jul-13	Sep-13	Dec-13	Mar-14			
JSE (R/t) WM ₁	2 332	2 355	2 379	2 422	2 358			
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
2 300	92	44	2 320	147	102	2 340	180	139
2 260	69	61	2 280	124	119	2 300	157	156
2 220	49	81	2 240	104	139	2 260	137	176

Wheat market trends (Graph 8)
International:

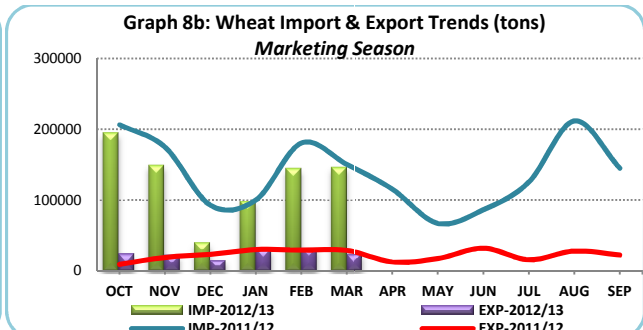
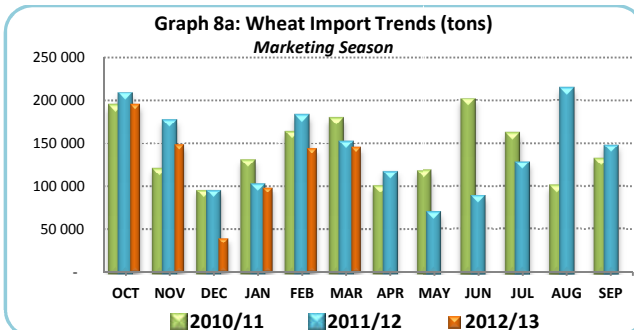
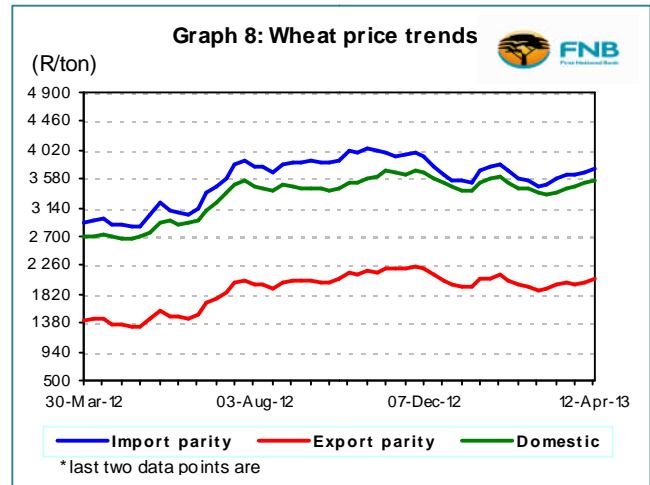
- US wheat prices moved sideways under pressure due to improved crop prospects and weak export demand.
- A higher than expected US wheat production estimate added to the weaker tone.
- US wheat production came in above estimates at 33.5m tons with area under all wheat coming in at 22.9m ha.
- This is expected to exert downward pressure on the market.

Domestic:

- Wheat prices extended recent gains supported by weaker a Rand.
- Weekly wheat prices closed at R3,466 per ton, up by 1.3% w/w and 26.7% y/y.
- Wheat import parity prices declined by 0.3% w/w but 24.2% higher y/y.
- Weekly import sales came in at 56,680 tons, which brings the cumulative imports for the current marketing season to date to 812,167 tons
- Wheat futures on the JSE: Wheat for Jul-13 delivery finished marginally higher by 0.3% w/w (+R11/t), Sep-13 was up by 0.7% w/w (+R26/t).

OUTLOOK

It is expected that domestic prices will trend sideways to firmer in the short term on spill over gains from the international market.



Source: SAGIS;

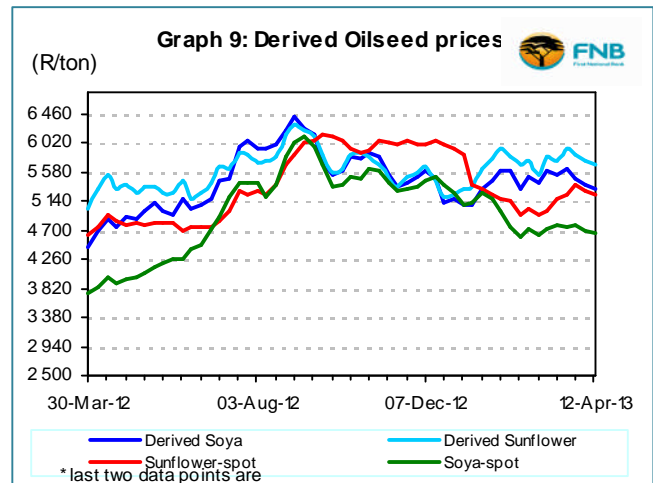
Wheat Futures 29 March 2013	May-13	Jul-13	Sep-13	Dec-13	Mar-14			
KCBT (\$/t)	267.03	269.06	273.28	279.07	283.57			
JSE (R/t)	3 520	3 555	3 551	3 380	-			
Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
May-13			Jul-13			Sep-13		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
3 460	87	47	3 500	140	95	3 500	175	126
3 420	64	64	3 460	118	113	3 460	153	144
3 380	46	86	3 420	98	133	3 420	133	164

Oilseed market trends (Graph 9)
International:

- Prices ended mixed in the soybean complex with declines in soyoil and soymeal and gains in soybeans.
- Soybeans found support from a bullish USDA report. US soybean stocks came in down 27.0% y/y at 25.5m tons. Planting area estimate for the new season was down to 32.1m ha.
- Reports of a possible short term shift in demand from South American soybeans in favour of the US product due in part to the port congestion and other logistical problems in Brazil provided further support.

Domestic:

- Oilseeds traded on the JSE trended firmer on supportive Rand.
- Weekly sunflower prices closed at R5,387 per ton, up by 2.7% w/w and 16.8% y/y.
- Soybean prices advanced by 1.0% w/w and 28.1% y/y at R4,778 per ton.
- Crop outlook: The expected sunflower crop was pegged at 554,500 tons, which is down by 11.2% from the last month. Soybean production came in at 851,000 tons, down by almost 7.0% m/m.
- Futures on the JSE: Soybean futures for May-13 gained 1.5% w/w (+R73/t), Jul-13 was up 1.5% w/w (+R74/t), Sep-13 was up 1.0% w/w (+R51/t).
- Sunflower for May-13 advanced by 1.6% w/w (+R90/t), Jul-13 was up 3.0% w/w (+R165/t), Dec-13 was up 3.6% w/w (+R200/t).


OUTLOOK

Prices are expected to come under pressure in the short term on Rand gains, but the lingering supply tightness will help limit losses.

Oilseeds Futures 29 March 2013	May-13	Jul-13	Sep-13	Dec-13	Mar-14
CBOT Soybeans (US \$/t)	516.10	509.05	472.16	-	462.60
CBOT Soya oil (US c/lb)	50.11	50.35	50.22	49.74	49.96
CBOT Soya cake meal (US\$/t)	446.00	441.48	400.25	382.17	386.36
JSE Sunflower seed (R/t)	5 480	5 574	5 629	5 680	-
JSE Soybean seed (R/t)	4 875	4 933	4 951	4 993	-

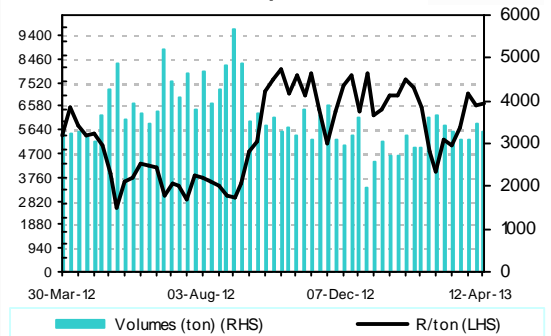
Calculated Sunflower Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)

May-13			Jul-13			Sep-13		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
5 420	165	125	5 514	336	296	5 620	559	522
5 380	143	143	5 474	314	314	5 580	537	540
5 340	124	164	5 434	293	333	5 540	515	558

Vegetable Market Trends (Graphs 10 to 14)
Tomatoes

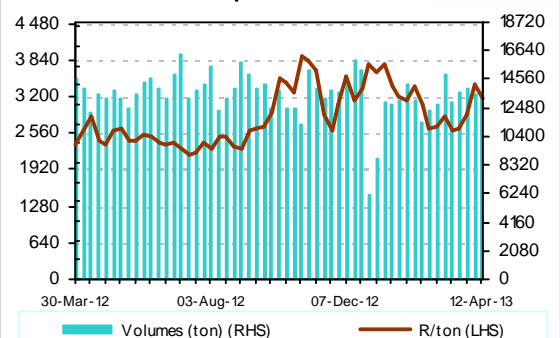
Tomato prices posted sharp gains supported by strong uptake and reduced volumes on markets. Weekly tomato prices closed at R7,112 per ton, up by 23.2% w/w and 30.4% y/y. Volumes of tomatoes traded came in slightly lower at 3,076 tons. This is down by 1.2% w/w and 8.3% y/y.

It is however expected that prices will come under pressure in the short term as volumes improve.

Graph 10: Fresh Produce Markets - Tomatoes prices

Potatoes

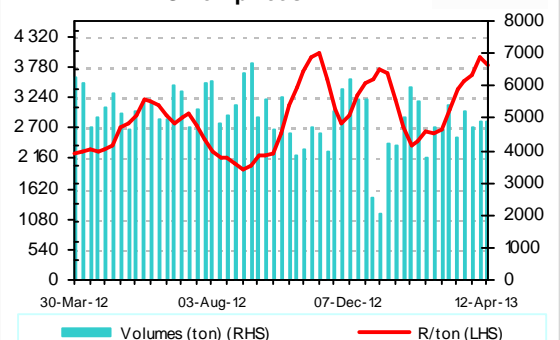
Potato prices posted strong gains on improved uptake across most markets. Weekly potato prices advanced by 9.1% w/w and 22.2% y/y to close at R2,875 per ton. The weekly volumes traded were pegged at 13,894 tons, up by 1.7% w/w but still 5.1% lower y/y.

Prices are however expected to moderate somewhat in the short term on volume pressure.

Graph 11: Fresh Produce Markets - Potatoes prices

Onions

Onion prices were again higher on strong uptake and limited supplies on markets. Weekly onion prices advanced by 2.8% w/w and 61.2% y/y to close at R3,637 per ton. Volumes of onions traded were pegged at 4,715 tons, which is down by 9.3% w/w and 24.4% y/y.

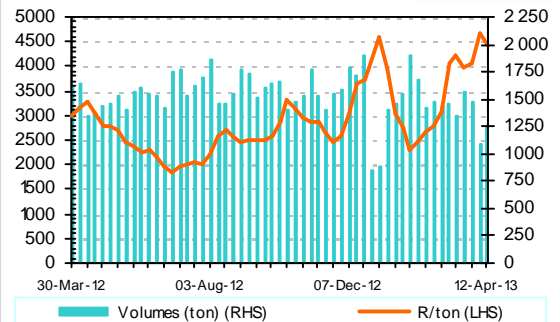
Prices are however expected to trend softer in the short term on improved supplies.

Graph 12: Fresh Produce Markets - Onion prices


Carrots

Carrot prices were slight to modestly higher on reduced volumes across most markets. Weekly carrot prices gained 2.9% w/w and 36.2% w/w, closing at R4,076 per ton. Volumes of carrot traded were pegged at 1,480 tons, down by 5.3% w/w and 8.8% y/y. Prices are expected to soften slightly in the short term on volume pressure.

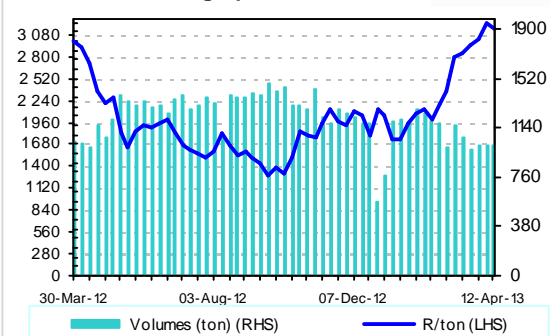
Graph 13: Fresh Produce Markets - Carrot prices



Cabbages

Cabbage prices ended slightly higher on good uptake across most markets. Cabbage prices closed the week at R3,015 per ton, up by 2.0% w/w and 0.4% y/y. Weekly volumes of cabbages traded were pegged at 1,003 tons, up by 2.6% w/w but still 3.8% lower y/y. Prices are expected to trend sideways to lower under pressure due to increased supplies.

Graph 14: Fresh Produce Markets - Cabbage prices



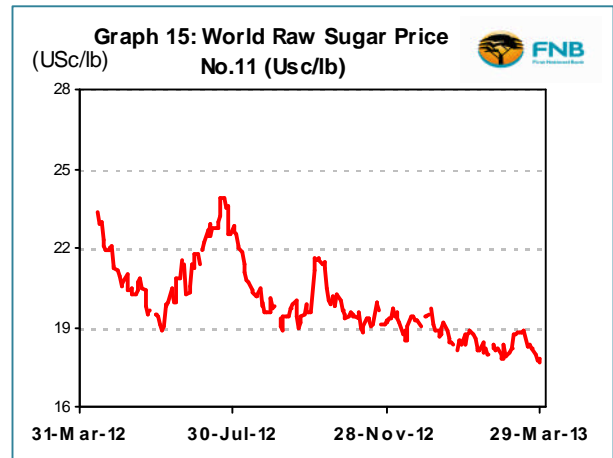
**Vegetable prices: South Africa's Major Fresh Produce Markets.
(Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)**

Week ending 29 March 2013	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Tomato	7 112	23.2%	30.4%	3076	-1.2%	-8.3%
Potato	2 875	9.1%	22.2%	13894	1.7%	-5.1%
Onion	3 637	2.8%	61.2%	4715	-9.3%	-24.4%
Carrot	4 076	2.9%	36.2%	1480	-5.3%	-8.8%
Cabbage	3 015	2.0%	0.4%	1003	2.6%	-3.8%

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

Sugar market trends (Graph 15)
International:

- Raw sugar prices saw modest declines on expectations of increased world production, mostly from Brazil.
- With increased blending requirements in Brazil, it is expected that the diversion into more domestic ethanol use will help offset the higher sugarcane production.
- Weekly raw sugar prices declined by 2.5% w/w and 27.4% y/y at US17.82c/lb.
- Futures on the InterContinental Exchange: Raw sugar futures for Jul-13 fell by 2.8% w/w at US17.70c/lb, Oct-13 was down by 2.4% w/w at US18.15c/lb, and Mar-14 was down by 2.2% w/w US19.05c/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 29 March 2013	Jul-13	Oct-13	Mar-14	May-14	Jul-14
Sugar No.11 (US c/lb)	17.70	18.15	19.05	19.25	19.42
% Change w/w	-2.8%	-2.4%	-2.2%	-1.7%	-1.5%

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.