

Agri-Weekly

14 March 2014

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Beef market trends (Graph 1)

International:

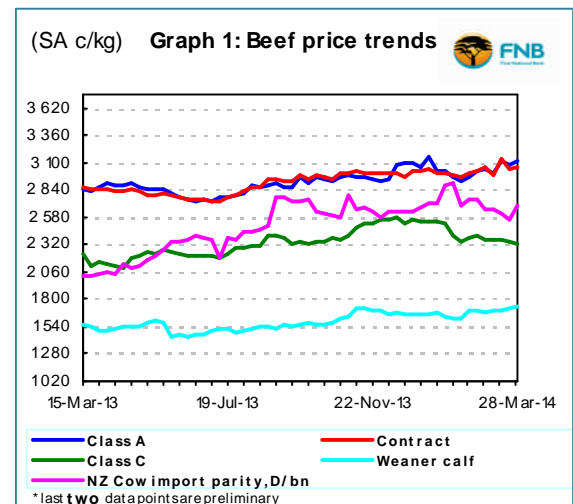
- US manufacturing beef market continued to post strong gains on good demand and moderate supplies.
- Market activity on US imports was reportedly moderate with prices again trending higher on tight supplies.
- At wholesale level, US Boxed beef cutout values extended gains on good demand and limited supplies.
- Choice beef prices increased by 3.1% w/w and 22.3% y/y at US\$240.72/cwt. Select beef prices were up by 2.5% w/w and 21.3% y/y at \$236.77/cwt.
- In the cattle market, the CME Feeder Cattle Index was firmer at US\$173.88/cwt which is 26.7% higher y/y.
- US Cattle Slaughter number was estimated at 564,000 head, up by 2.9% w/w but still down by 7.2% y/y. The estimated year to date slaughter was reported at 5.96m head, which is 7.5% lower y/y. Weekly US beef export sales are reported to have hit a record year high moving, up 60.0% w/w at 17,700 tons.
- Meanwhile, the USDA's latest World Agricultural Supply and Demand Estimate (WASDE) report showed a slightly higher US beef production during 2014. Beef production was projected at 11.04m tons, up 0.8% m/m but still down by 4.6% y/y. Drought conditions still continues in the South-western areas of the US while heavy rains were reported in the West. Supplies are expected to tighten further due to reduced cow slaughter.
- In Australia, the cattle market reversed gains due to increased supplies. Cattle for slaughter were reportedly at record levels, coming in up 23.0% y/y. This saw the Eastern Young Cattle Indicator (EYCI) falling by 1.7% w/w and 6.9% y/y at AU\$3.12/kg.
- On the export front, Australian exports to the EU are reported to have reached a record high during February at 1,974 tons swt which is up by 76.0% y/y. The UK remains the major destination but exports to Italy and the Netherlands also increased, up 117.0% and 68.0% y/y respectively.

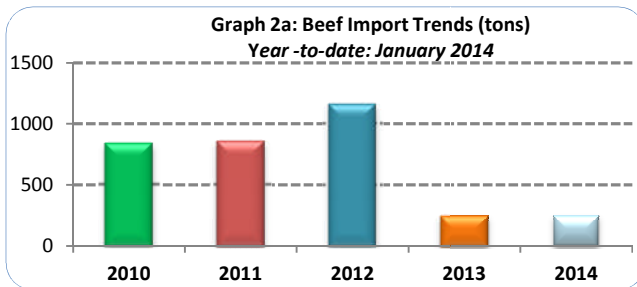
Domestic:

- The beef market posted modest gains mainly due to tight supplies.
- Weekly Class A beef prices closed at R31.16 per kg, up by 3.8% w/w and 9.5% y/y.
- Contract Class A beef prices were up by 5.5% w/w and 9.7% y/y at R31.37 per kg.
- Class C beef prices moved sideways to close at R23.59 per kg, up by 5.5% y/y.
- In the weaner market, prices continued to strengthen on the back of tight supplies across markets. Weekly weaner calf prices closed at R17.00 per kg live weight, up by 0.6% w/w and 8.6% y/y.

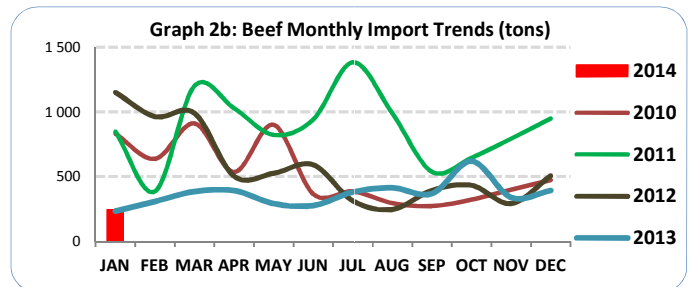
OUTLOOK

The beef market is expected to maintain the current momentum in short term on supply tightness due to improved production conditions across the producing areas.





Source: SARS, Own Calculations



Mutton market trends (Graph 2)

International:

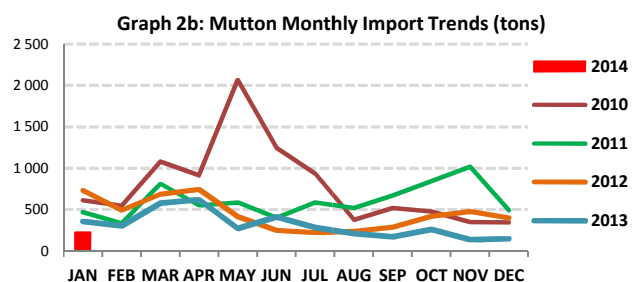
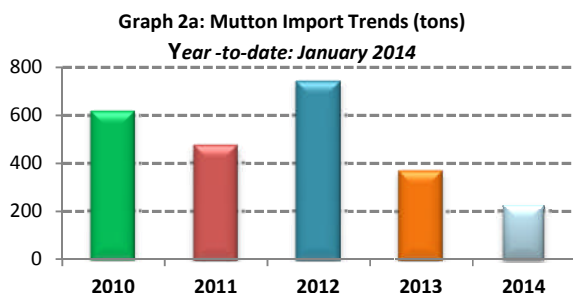
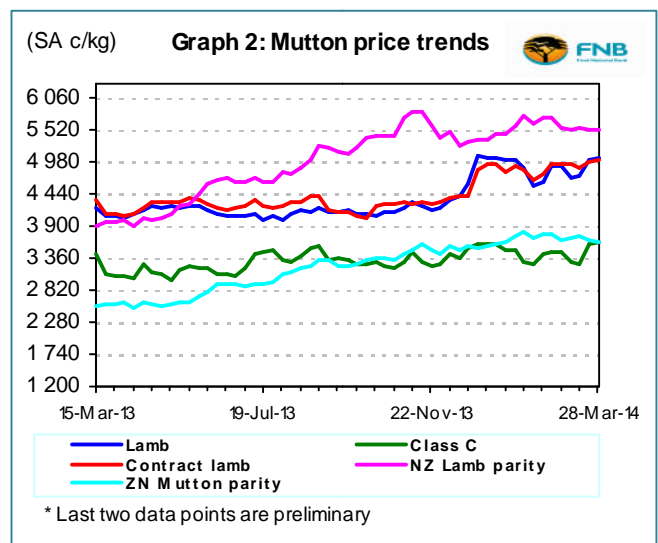
- In New Zealand (NZ), producer prices continued to soften with the 17.5kg lamb closing at NZ\$92.60/ head but still up 24.0% y/y.
- Demand for NZ lamb is reportedly good on export markets with China and the European Union being the major destinations. Exports to traditional EU markets were reported up 11.0% y/y in February, and were the largest February volume to this market since 2010.
- Exports of lamb to the Middle East were down 20.0% y/y during February reportedly due to a period in which Australian sourced product surged ahead.
- In Australia, the lamb market continued to post strong gains on the back of strong demand. This saw the Eastern States Trade Lamb Indicator (ESTLI) closing up by 0.1% w/w and 29.5% y/y at AU\$5.66/cwt.
- In the US, the Lamb Carcass Cutout prices closed at \$341.07/cwt, up by 1.5% w/w and 33.9% y/y.
- The estimated weekly US sheep for slaughter were up by 2.6% w/w but still 11.4% y/y at 39,000 head y/y. The estimated year-to-date sheep slaughter reached 399,000 head, which is down by 2.4% y/y.

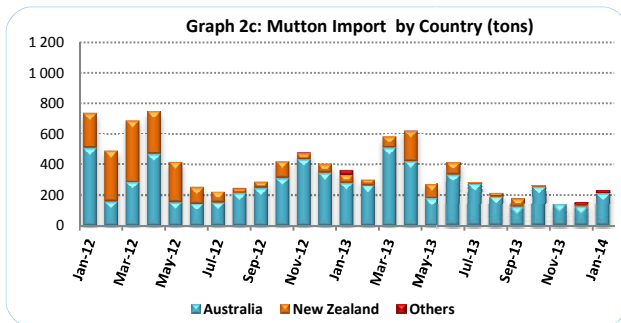
Domestic:

- The domestic lamb and mutton market ended mixed with mutton easing lower on weak demand.
- Weekly mutton prices were down by 0.5% w/w and 4.7% y/y at R32.69 per kg.
- Contract Class A softened by 0.9% w/w but still 13.0% higher y/y at R48.97 per kg.
- Class A lamb prices were the exception, gaining 1.2% w/w and 13.1% y/y at R47.60 per kg.
- Weaner lamb prices continued to weaken and closed down 0.5% w/w but still 12.2% higher y/y at R21.40 per kg live weight.

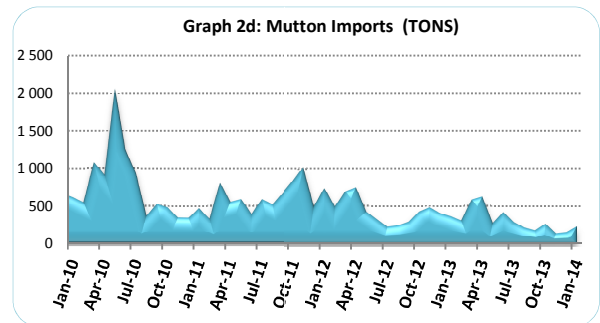
OUTLOOK

Prices are however expected to bottom out and strengthen as demand improves ahead of the Easter period.





Source: SARS, Own Calculations



Pork market trends (Graph 3)

International:

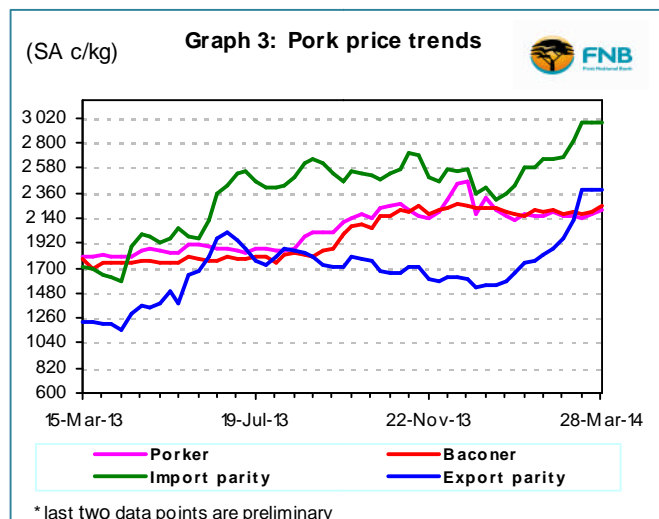
- The US Pork Carcass (FOB Plant) Cutout prices continued to post sharp gains, finishing the week up by 10.0% w/w at US\$119.86/cwt.
- The number of pigs for slaughter in the US fell by 2.1% w/w and 7.7% y/y at an estimated 2.02m head.
- The cumulative year to date pig slaughter reached 22.48m head, which is still 3.5% lower y/y.
- An outbreak of the Porcine Epidemic Diarrhoea virus (PEDv) was reported in the US State of Arizona. The total number of states with confirmed cases was reported at 27.
- The PEDv affects pigs from all ages, but is predominantly causing mortality in the preweaning phase, with preweaning mortality rates of 95% reported. This strain is more pathogenic than old strains observed in Europe in the 1970.
- US pork production for 2014 was projected slightly higher y/y in the latest WASDE report. According to the USDA, the 2014 US pork production will increase by 0.7% y/y to reach 10.51m tons. This is however slightly lower than the February estimate by 0.3%.

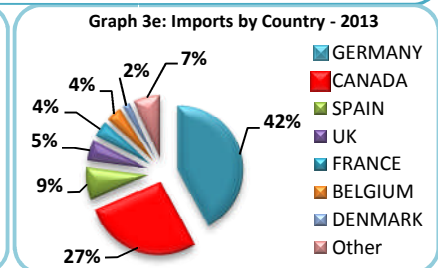
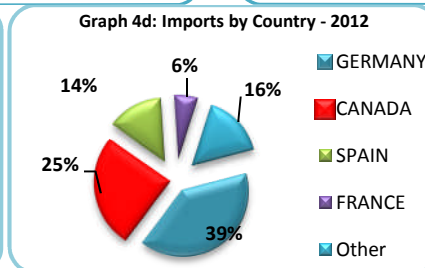
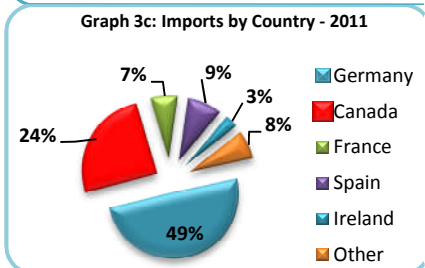
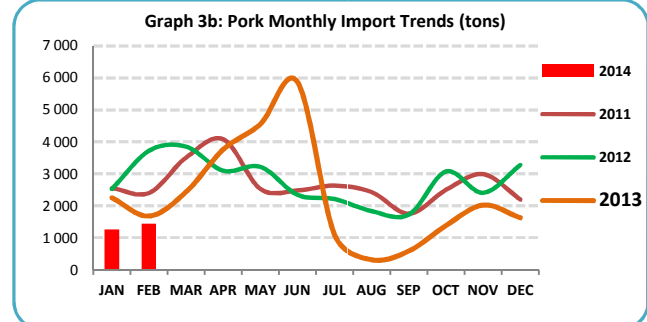
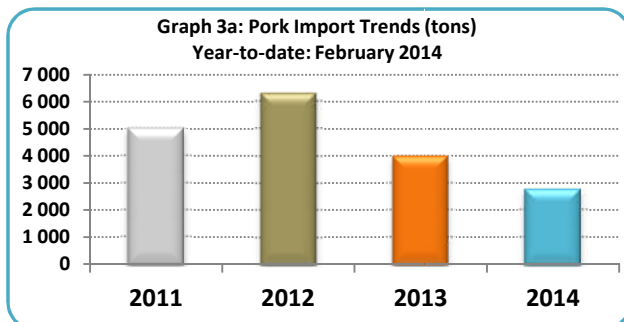
Domestic:

- Prices moved marginally lower across the board due to subdued demand during midmonth.
- Weekly porker prices closed at R21.49 per kg, down by 0.5% w/w but still 18.9% higher y/y.
- Baconer prices were softer at R21.73 per kg, down by 1.1% w/w but still up by 22.4% y/y.
- On the import front, pork import parity prices continued to increase on the back of higher international prices and a weaker Rand. The current import parity prices are 61.1% higher y/y.
- A total of 1,448 tons of pork were imported during February which is up by 14.7% m/m but still 14.0% lower year. The year to date imports reached 2,710 tons, which is down 31.3% compared to the corresponding period last year.
- Major import sources were Germany which accounted for 55.1% during February and 54.5% for the year to date, Canada (10.2%, and 15.0% for yr-date), Spain (7.7%, and 5.5% for yr-date), Belgium (7.1%, and 5.9% yr-date), Netherlands (5.2%, and 3.7% for yr-date), and France (5.0%, and 6.3% for yr-date).

OUTLOOK

Prices are still expected to trend sideways with limited upward potential in the medium term on improved supplies.





Source: SAPPO, SARS, Own Calculations

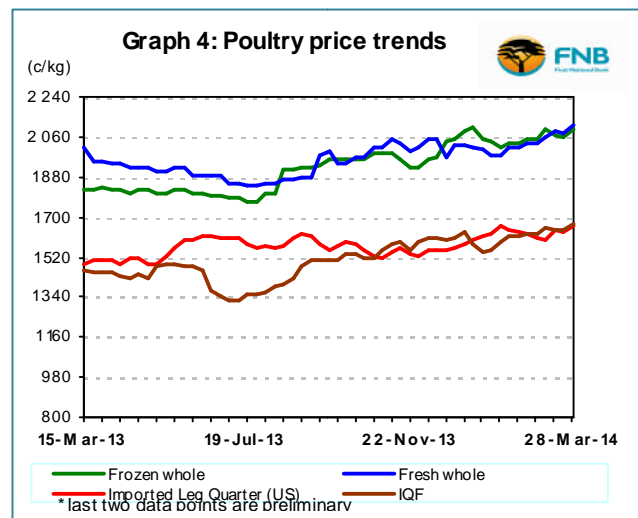
Poultry market trends (Graph 4)

International:

- US prices posted strong gains across most categories.
- Demand at retail and food service was reportedly light to good ahead of the weekend. Adverse weather conditions are reported to have had a negative effect on trading in the North-eastern areas of the US.
- Whole birds prices were firmer at US104.92c/lb, up 0.5% w/w and 3.5% y/y. Leg quarter prices averaged at US51.67c/lb, up by 2.6% w/w but still down by 4.9% y/y.
- Breast cuts rose sharply to close at US118.83c/lb, up by 15.4% w/w and 8.4% y/y. Wings finished up by 15.3% w/w but still 17.0% lower y/y at US148.17c/lb.
- Drumsticks were the exception, falling by 6.5% w/w and 3.0% y/y at US65.17c/lb.
- Weekly US broiler egg sets for the week ended 08 March 2014 came in slightly lower than the week earlier but were 1.0% higher y/y at 209m. Average hatchability for chicks came in at 83.0%. Broiler chick placements were slightly down by 1.0% from the year earlier at 163m head. Cumulative broiler placements from December 29, 2013 through March 8, 2014 came in slightly higher y/y at 1.69 billion.
- According to the USDA report, the estimate for US broiler meat production in 2014 was reduced 0.5% from the February estimate to 17.42m tons. This is however still 2.3% higher y/y. The reduction from the earlier estimate is expected to come from lower numbers of birds slaughtered. The growth in the number of eggs in incubators and the number of chicks placed for growout has slowed recently and has been only fractionally higher than a year earlier. Broiler integrators had been expected to expand production in 2014 primarily due to a decline in feed costs from a year earlier and relatively high prices for competing meats. Average live weights at slaughter are still expected to be higher than the previous year.

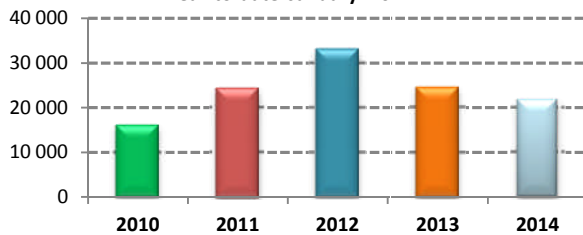
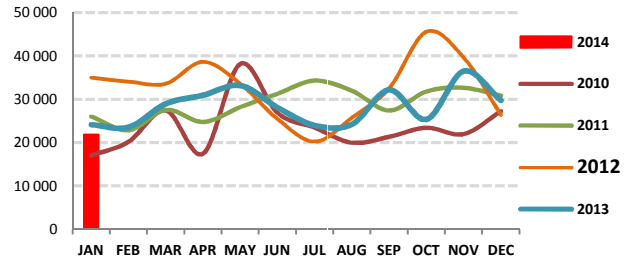
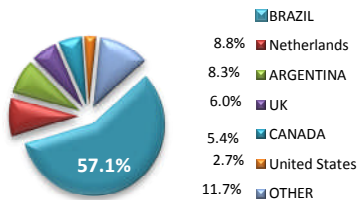
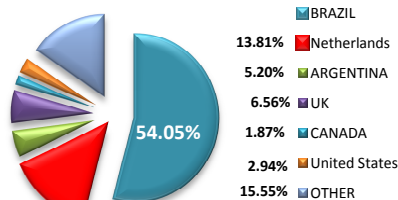
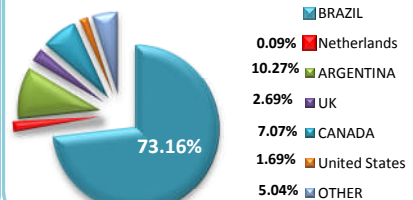
Domestic:

- Prices were mixed with the frozen and IQF categories softening on subdued demand.
- Weekly fresh whole bird prices closed at R20.84 per kg, which is up 1.1% w/w and 3.6% y/y.
- Individually Quick Frozen portions (IQF), which constitutes over 60% of the broiler meat traded softened to at R16.44 per kg but still 12.5% higher y/y.
- Frozen whole bird prices at R20.68 per kg, down by 1.2% w/w but still up 13.6% y/y.



OUTLOOK

The bearish medium term outlook for maize prices bodes well for broiler production as this will help improve producer margins.

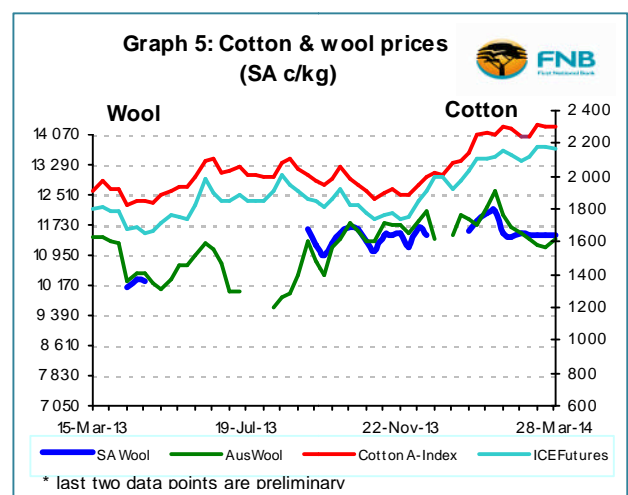
Graph 4a: Poultry Import Trends
 Year-to-date: January -2014

Graph 4b: Poultry Monthly Import Trends (tons)

Graph 4d: Imports by Country - 2011

Graph 4e: Imports by Country - 2012

Graph 4c: Imports by Country - 2013


Source: SARS, Own Calculations

Producer prices for selected livestock commodities 14 March 2014	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	31.16	47.60	21.49	20.84
Open market: Class C / Baconer / Frozen whole birds(R/kg)	23.59	32.69	21.25	20.68
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	31.37	48.97	21.73	16.44
Import parity price (R/kg)	26.21	36.95	29.91	16.39
Weaner Calves / Feeder Lambs (R/kg)	17.00	21.40		

Wool and cotton market trends (Graph 5)
International:

- The world cotton indicator price, Cotlook "A" index, extended recent gains to close at US97.43c/lb, up by 2.4% w/w and 3.0% y/y.
- Cotton futures ended mixed with the Jul-14 contract slightly firmer by 0.1% w/w at US90.84c/lb, and Oct-14 closing down by 0.1% w/w at US82.04c/lb.
- USDA's monthly outlook report showed no revisions to production estimates at country level, leaving the 2013/14 expected world crop unchanged m/m at 25.m tons.
- World consumption was also unchanged from the February estimate at 23.8m tons, which is still 0.6m tons higher y/y. However, there were significant country-level changes for consumption with a 0.1m tons drop for China, Pakistan (-0.1m ton), Bangladesh (+0.1m tons), and India (+0.1m tons).
- Ending stocks for the world were pegged at 8.5m tons, unchanged m/m and slightly higher y/y. The stocks-to-use ratio was slightly higher at 88.6%. At country-level, the US estimate was tight at 0.6m tons with the stocks-to-use ratio dropping to 19.6%. This is expected to place upward pressure on international prices given that the US is the world's largest exporter of cotton.
- In the case of the world's largest importer, China, endings stocks were slightly higher at 12.6m tons with a significant drop in the stocks-to-use ratio of 35.4% from 159.0% in February and 140.0% last year.



* last two data points are preliminary

- Wool market: In Australia, the wool market saw losses with the weekly AWEX EM Indicator falling to a six months low at AU\$10.54/kg clean wool, down by 1.7% w/w and 1.7% y/y. Volumes of sales reached 76.2% of 39,924 bales offered.

Domestic:

- The wool market moved sideways on spill over weakness from the Australian market. The weekly Cape Wools Merino indicator closed at R114.81/ kg clean wool, which is again almost unchanged w/w but up by 0.5% y/y.
- At this level, the indicator was 0.3% and 12.6% higher than the current season's average and the opening sale of the 2013/14 season respectively.
- Major buyers were Standard Wool SA with 2,542 bales (30.0%), Lempriere SA with 1,916 bales (22.6%), G Modiano SA with 1,267 bales (15.0%), and Stucken & Co with 1,212 bales (14.3%).

Fibre market prices 14 March 2014	SA prices (R/kg)	Australian prices (R/kg)	Australian futures May-14 (AU\$/kg)	Australian futures Jul-14 (AU\$/kg)
Wool market indicator (R/kg)	102.56	114.81		
19 μ long length wool (R/kg)	116.33	-	11.50	11.50
21 μ long length wool (R/kg)	112.39	113.05	11.20	11.20
23 μ long length wool (R/kg)	110.83	-	10.00	10.00
Fibre market prices 14 March 2014	SA derived Cotton (R/kg)	New York A-Index (US\$/kg)	Cotton Futures Jul-14 (US\$/kg)	Cotton Futures Oct-14 (US\$/kg)
Cotton Prices (R/kg)	23.14	2.14	2.00	1.80

Cotton Futures on the InterContinental Exchange (ICE);

Yellow maize market (Graph 6)
International:

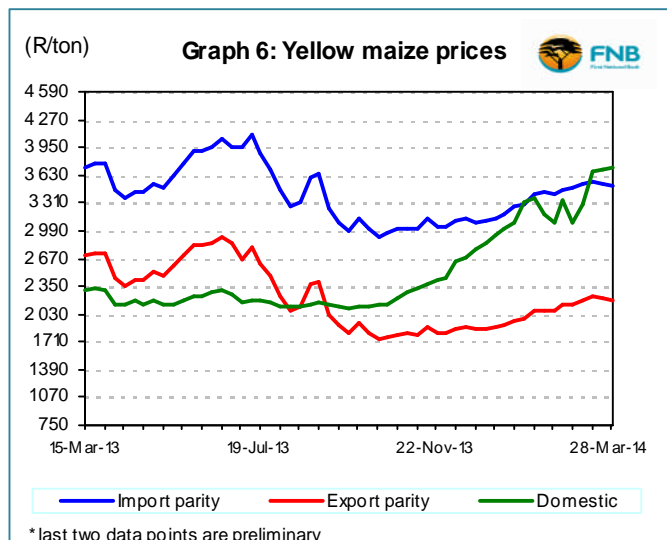
- US maize prices were a bit firmer on spill over gains in the wheat market due to the Ukraine crisis.
- In its March report, the USDA lowered its estimate of US domestic demand by trimming feed demand largely due to the Porcine Epidemic Diarrhoea virus (PEDv) PED virus in pigs. US ending stocks were reduced slightly by 0.6m to 36.95m tons, due to increased export demand.
- World ending stocks estimate was increased from 157.30m to 158.47m tons.
- In the futures market on CME: Maize for Jul-14 closed at US\$490/t which is down by 0.5% w/w, Sep-14 gained 0.2% w/w at US\$488/t, and Dec-14 was up by 0.5% w/w at US\$487/t.

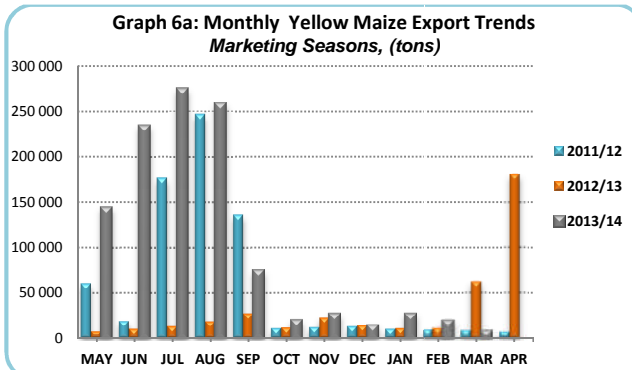
Domestic:

- On the South African market, prices continued to post sharp gains on concerns over tightening domestic stocks and a weaker Rand. Weekly yellow maize prices closed at a new high of R3,661 per ton, up 11.5% w/w and 59.4% y/y.
- Nonetheless, the medium term supply outlook remains bullish with an expected increase in production. Total maize production is expected to increase by 6.1% y/y at 12.4m tons despite the reduced planted area (-4.1%y/y). Planted area for yellow maize dropped by 2.3% y/y at 1.14m hectares. The expected yellow maize crop was pegged at 5.86m tons, down by 4.7% y/y.
- Weekly export sales reached 2,997 tons and 1.11m tons for the season to date, according to the latest SAGIS report.
- So far, major export destinations for YMZ are Japan (53.8%), Taiwan (15.0%), and Korea (13.4%).

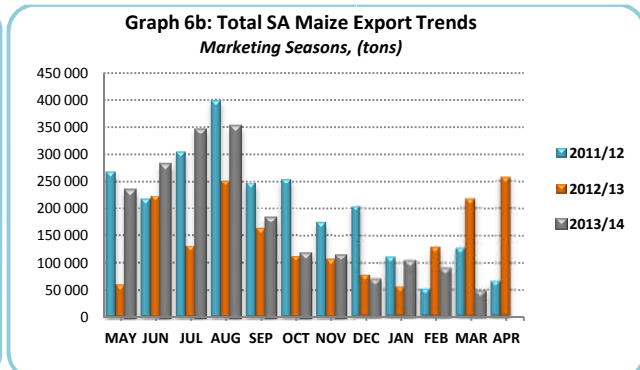
OUTLOOK

Crop conditions remain good and bode well for production going forward. This will however place downward pressure on prices in the medium term.





Source: SAGIS



Yellow Maize Futures 14 March 2014	May-14	Jul-14	Sep-14	Dec-14	Mar-15
CBOT (\$/t)	191.48	193.22	192.43	191.96	195.11
JSE (R/t)	2 333	2 220	2 260	2 310	-
CHICAGO CORN (R/t)	2 060	2 100	-	2 143	-

Calculated Yellow Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
May-14			July-14			Sep-14		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2 380	101	54	2 260	136	96	2 300	193	153
2 340	78	71	2 220	114	114	2 260	170	170
2 300	58	91	2 180	94	134	2 220	150	190

White maize market trends (Graph 7)

International:

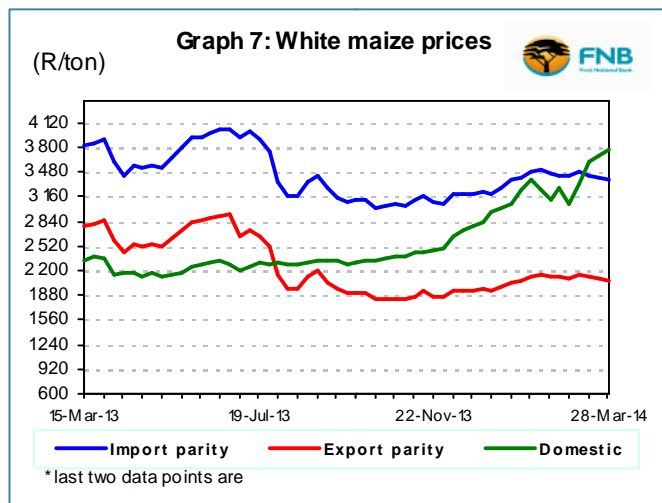
- Unlike yellow maize, the US white maize saw slight losses on demand concerns with the USDA's outlook report having minimal impact on the market.
- Weekly white maize price closed at US\$194/ton, down by 2.5% w/w and 39.1% y/y.

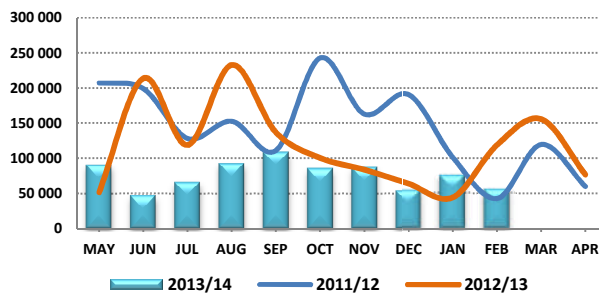
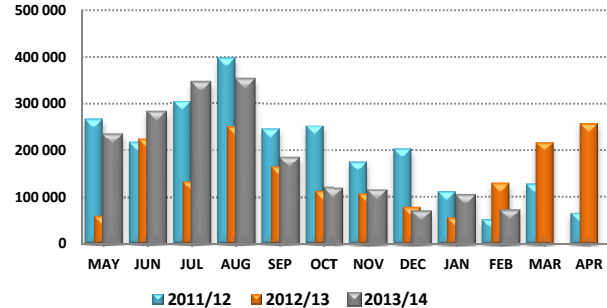
Domestic:

- The South African white maize prices posted further gains on concerns over tightening domestic stocks. The weaker Rand added to the firmer tone.
- Meanwhile, the crops are expected to benefit immensely from the recent rains following a dry spell early in the year.
- In spite of the reduced planted area (-5.3%/y/y), the production forecast for white maize crop was raised by a whopping 18.1% y/y at 6.55m tons.
- Weekly white maize prices closed at R3,605 per ton, up by 8.6% w/w and 65.1% y/y.
- Weekly white maize export sales were pegged 23,109 tons and 820,824 tons for the season to date, according to the latest SAGIS report.
- Major export destinations so far for WMZ are Zimbabwe (26.8%), Mexico (23.2%), Botswana (17.9%), and Namibia (15.8%).
- Total maize export sales (WMZ and YMZ) reached 1.93m tons. Major destinations so far are Japan (30.9%), and Zimbabwe (12.6%). Others were Mexico (9.9%), Botswana (9.8%), Namibia (8.8%), Taiwan (8.6%), Korea (7.7%).

OUTLOOK

Crop conditions remain good and bode well for production going forward. This will however place downward pressure on prices in the medium term.



Graph 7a: Monthly White Maize Export Trends (tons) Marketing Seasons

Graph 7b: Total Monthly SA Maize Exports (tons) Marketing Seasons


Source: SAGIS;

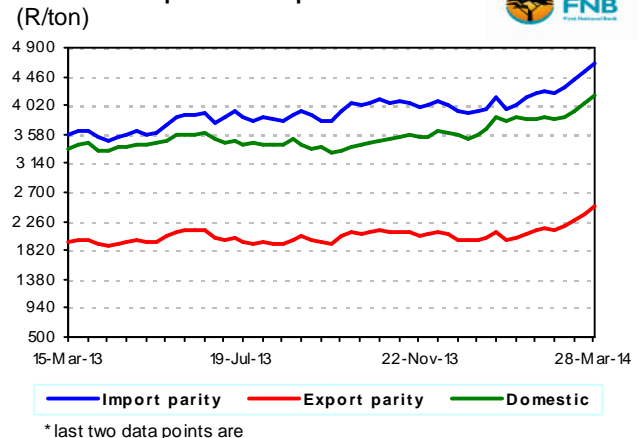
White Maize Futures 14 March 2014	May-14	Jul-14	Sep-14	Dec-14	Mar-15				
JSE (R/t) WM ₁	2 399	2 128	2 171	2 222	-				
Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)									
	May-14		Jul-14			Sep-14			
	Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
	2 440	100	59	2 160	120	88	2 220	185	136
	2 400	78	77	2 120	99	107	2 180	163	154
	2 360	59	98	2 080	79	127	2 140	142	173

Wheat market trends (Graph 8)
International:

- US wheat prices moved modestly higher due to concerns over the crisis in Ukraine and fears about the US winter wheat production.
- With Russia and Ukraine being the world's fifth and sixth largest wheat exporters, further supply disruptions will see a surge in prices of wheat.
- US wheat production estimates for 2013/14 were left unchanged in the USDA March report. Production was pegged at 57.96m tons, with ending stocks coming in at 15.19m tons.
- Meanwhile, the US winter wheat is reportedly coming out of dormancy as conditions improve.
- On world production, USDA raised world wheat supplies slightly with a 0.8m ton increase to 712.72m tons. World wheat consumption was raised slightly for 2013/14 with increased use for India, Iran, Australia, Iraq, and Morocco more than offsetting lower feed use for the European Union and Russia, and for South Korea, where wheat imports are lowered. Wheat feeding was raised for Australia as drought reduces sorghum supplies and boosts the use of grain in livestock rations. World wheat ending stocks were nearly unchanged at 183.81m tons.
- KCBT futures: Wheat for Jul-14 gained 4.3% w/w to close at US\$274/t, Sep-14 was up by 4.1% w/w at US\$276/t, and Dec-14 was up by 3.9% w/w at US\$279/t.
- CME futures: Wheat for Jul-14 gained 4.7% w/w at US\$254/t, Sep-14 was up by 4.8% w/w at US\$257/t, and Dec-14 was up by 4.4% w/w at US\$260/t.

Domestic:

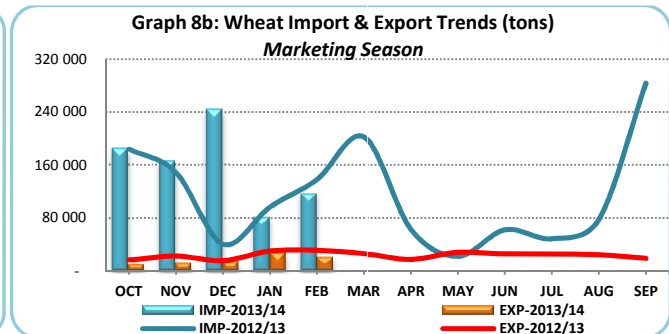
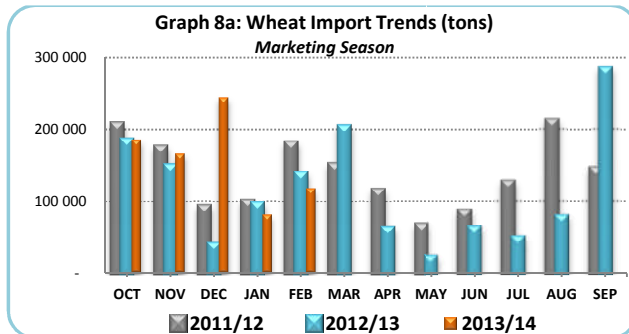
- The South African wheat prices extended gains on spill over strength from the international market. The weaker Rand added to the firmer tone.
- Wheat prices closed the week at R3,943 per ton, up by 2.4% w/w and 14.3% y/y.
- During the week ended 21 February, import sales for the 2013/14 marketing season came in at 31,118 tons and reached 787,889 tons for the season to date.

Graph 8: Wheat price trends


- Main suppliers so far are Russia (45.5%) and Ukraine (35.7%). The others are Germany (5.7%), Lithuania (5.1%), Finland (3.2%), Canada (2.6%), and the USA (2.2%).

OUTLOOK

Internationally, the increase in supplies from major producers will place downward pressure on prices as competition intensifies.



Source: SAGIS;

Wheat Futures 14 March 2014	May-14	Jul-14	Sep-14	Dec-14	Mar-15
KCBT (\$/t)	276.09	273.96	275.72	279.25	280.06
JSE (R/t)	4 013	3 999	-	3 744	-

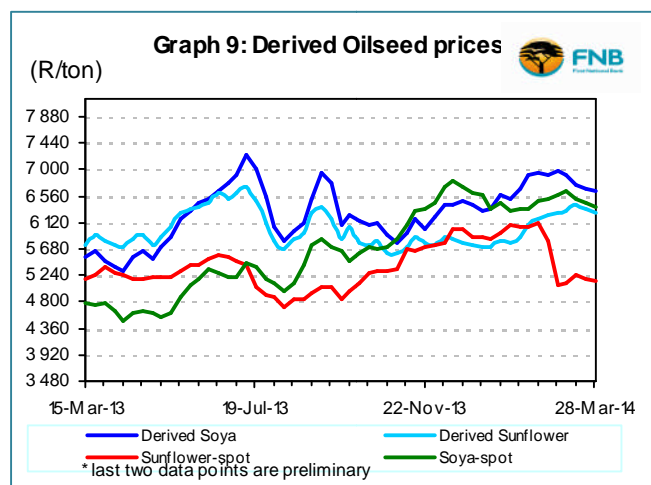
Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
May-14			Jul-14			Dec-14		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
4 060	100	53	4 040	173	132	3 780	199	163
4 020	78	71	4 000	152	151	3 740	178	182
3 980	59	92	3 960	132	171	3 700	158	202

Oilseed market trends (Graph 9)
International:

- US prices were mostly lower in the soybean complex. Weaker than expected growth numbers in China put pressure on soybeans. Further rumours of China cancelling purchases added to the weaker tone.
- On the export front, weekly US sales were however bullish and helped limit losses. Soybeans had bullish export sales of 890,400 tons with 113,500 tons for the 2013/14 marketing year.
- USDA lowered its projections for South America with the Brazil soybean production at 88.5m tons in latest outlook report. This is down by 1.5m mainly reflecting hot, dry weather in the south where much of the crop was in the flowering and filling stages. Soybean production is also reduced for Paraguay due to the extended period of hot, dry weather.
- Harvesting in Brazil is reportedly progressing well and almost 50.0% complete.
- World production was pegged at 188.66m tons, up by 0.1% from last month. Ending stocks were lowered by 2.4% m/m at 10.92m tons.

Domestic:

- Oilseeds traded on the JSE were mixed with soybeans falling in line with weakness on international markets.
- Weekly soybean prices closed at R6,508 per ton, down by 2.3% w/w but still 26.2% y/y.
- Sunflower prices advanced further to close at R5,248 per ton, up by 2.4% w/w and almost unchanged y/y.



- The production forecast for sunflower came in 39.7% higher y/y at 557,000 tons, according to the latest Crop Estimate Committee report. Planted area was pegged at 598,950 ha, which is 18.7% y/y.
- For soybean, planted area was reduced by 2.6% y/y at 502,900 hectares. The expected crop was pegged 832,350 tons, up 6.1% y/y.

OUTLOOK

The improved production outlook will continue to place downward pressure on the oilseed market in the short to medium term.

Oilseeds Futures 14 March 2014	May-14	Jul-14	Sep-14	Dec-14	Mar-15
CBOT Soybeans (US \$/t)	535.58	523.45	461.28	-	438.72
CBOT Soya oil (US c/lb)	44.32	44.44	43.73	42.97	42.76
CBOT Soya cake meal (US\$/t)	504.64	490.53	439.93	399.37	399.37
JSE Sunflower seed (R/t)	5 200	5 299	5 355	5 455	-
JSE Soybean seed (R/t)	6 339	6 373	6 395	6 377	-

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

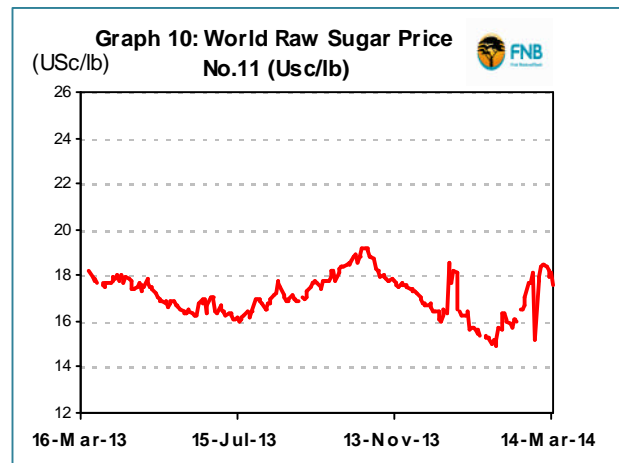
May-14			Jul-14			Sep-14		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
5 120	176	136	5 220	248	211	5 340	276	232
5 080	154	154	5 180	227	230	5 300	255	251
5 040	134	174	5 140	206	249	5 260	234	270

Sugar market trends (Graph 15)
International:

- International Raw Sugar prices finished slightly lower on reports of slowing demand.
- Weather conditions have reportedly improved in the sugar areas of Brazil, but overall the region remains too dry.
- According to the USDA, projected US sugar supply for fiscal year 2013/14 was decreased 7,000 short tons, raw value (STRV), from last month, as lower production more than offsets higher beginning stocks. Forecast utilization was raised by 135,000 STRV. Higher expected domestic deliveries for food use are based on the pace to date. A larger forecast for exports of refined sugar under the re-export program is the result of shipments so far in 2013/14.
- The Mexican sugar supply and use estimates of 2012/13 or projections for 2013/14 were left unchanged, after significant changes were made in the 2013/14 numbers in February.
- Weekly world raw sugar prices on ICE (InterContinental nearby futures, No.11 contract) saw slight losses and closed at US18.04c/lb, down by 1.0% w/w and 4.2% y/y.
- In the futures market: Raw sugar for Oct-14 was down by 4.2% w/w at US18.01c/lb, and Mar-15 was down by 3.2% w/w at US18.61c/lb.

Domestic:

- The final RV price in respect of cane delivered in the 2013/14 season increased by R34.67 per ton m/m at R3,116.66 per ton.
- According to the Cane Growers Association, the increase was due to the 6.5% increase in local market price, which became effective from the first week in March 2014. Other factors that played a role in the higher price were the improved weighted average No.11 price (18.22 USc/lb. vs. 18.18 USc/lb) and higher sugar:RV ratio (93.37% vs. 93.31%).



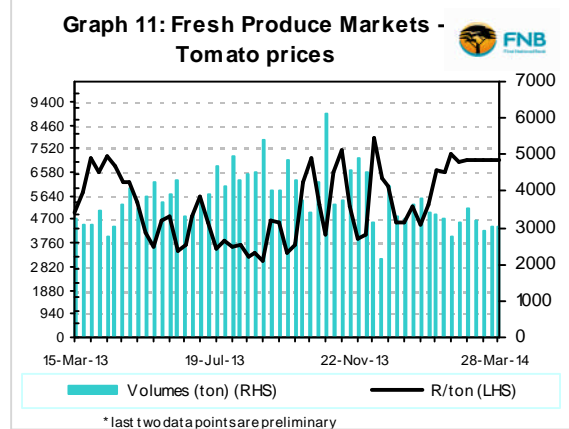
- Further, 836,137 tons have been made available for marketing and pricing during the 2013/14 season. Of this allocation 833 907 tons have been priced and contracted at an average of US18.17c/lb. This pricing includes the overpriced tonnage of 68 142 tons that was transferred from last season.

ICE Sugar Futures 14 March 2014	Oct-14	Mar-15	May-15	Jul-15	Oct-15
Sugar No.11 (US c/lb)	18.01	18.61	18.44	18.18	18.25
% Change w/w	-4.2%	-3.2%	-2.9%	-3.1%	-2.7%

Vegetable Market Trends (Graphs 11 to 15)
Tomatoes

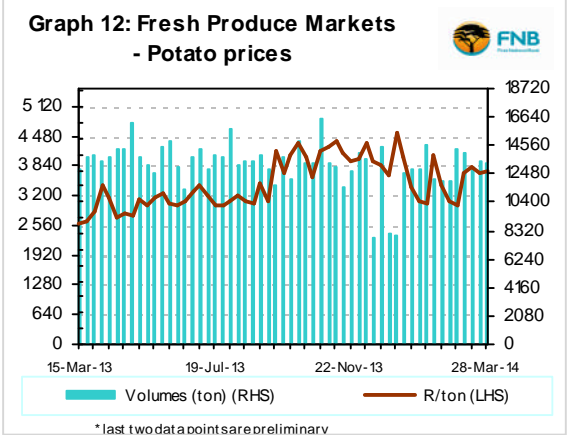
Tomato prices continued to trend sideways despite reduced supplies across markets. Weekly tomato prices closed at R7,073 per tons, down by 0.1% w/w but up by 41.3% y/y. Volumes of tomatoes traded were pegged at 2,913 tons, down by 8.3% w/w and 10.8% y/y.

Prices are expected to continue to trend sideways in the short term with limited upside potential as supplies improve.


Potatoes

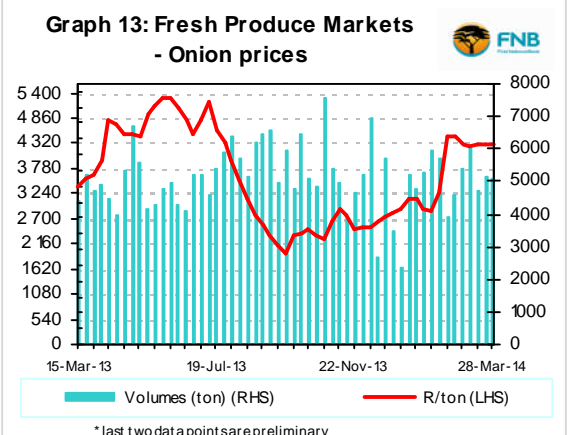
In the potato market, prices continued to strengthen on good uptake and reduced supplies across markets. Weekly potato prices closed at R3,798 per ton, up by 3.0% w/w and 45.2% y/y. Volumes of potatoes traded came in at 12,958 tons, down by 7.0% w/w but still 1.1% higher y/y.

It is however expected that prices will ease slightly in the short term on softer uptake and improved supplies.


Onions

Onion prices regained some ground and moved slightly higher on reduced supplies across markets. Weekly onion prices gained 1.2% w/w and 26.4% y/y at R4,302 per ton. Volumes traded were pegged at 4,693 tons, down by 21.8% w/w but 6.0% higher y/y.

Prices are expected to move sideways with limited upward potential on volume pressure.

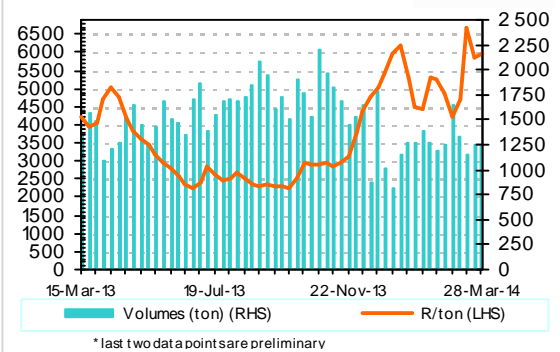


Carrots

Carrot prices posted sharp gains on further reduction in supplies across markets. Weekly carrot prices rose by 42.1% w/w and 58.5% y/y at R6,684 per ton. Volumes traded at 1,145 tons, down by 14.2% and 15.3% y/y.

It is expected that prices will ease somewhat in the short term on volume pressure.

Graph 14: Fresh Produce Markets - Carrot prices

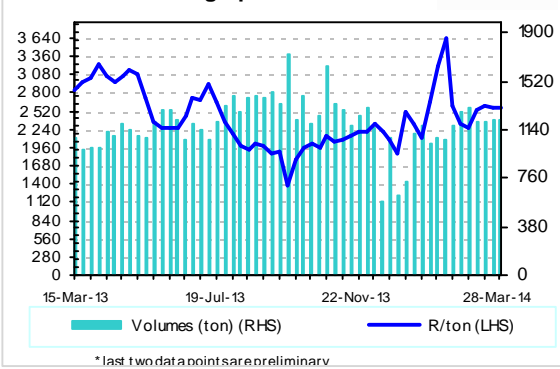


Cabbages

Cabbage prices were again higher supported by good uptake across markets. Weekly cabbage prices closed at R2,610 per ton, up by 2.8% w/w but still 8.2% lower y/y. Volumes traded reached 1,206 tons, up by 0.5% w/w and 12.5% y/y.

Prices are expected soften in the short term on volume pressure.

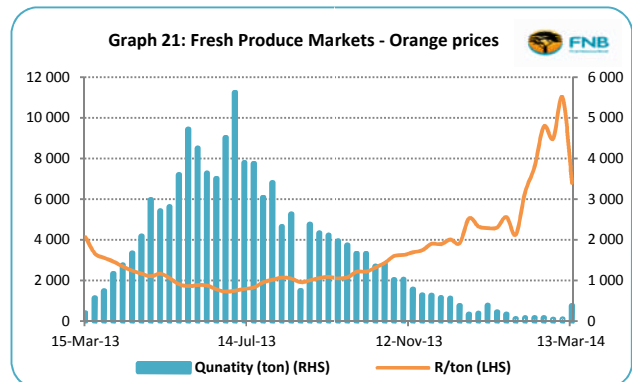
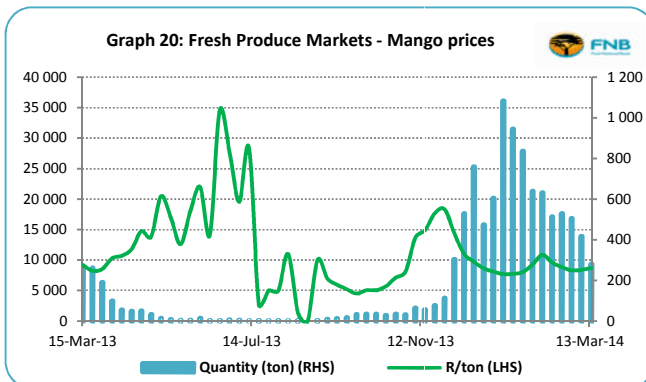
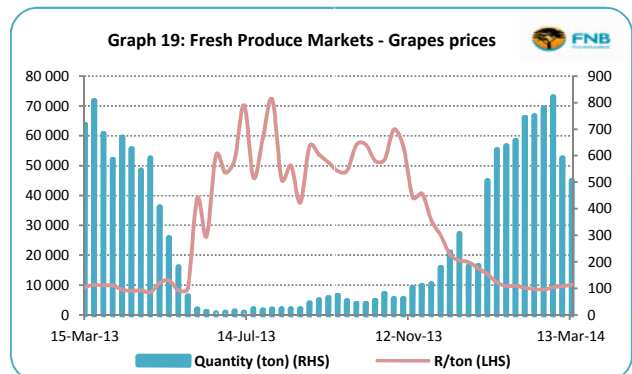
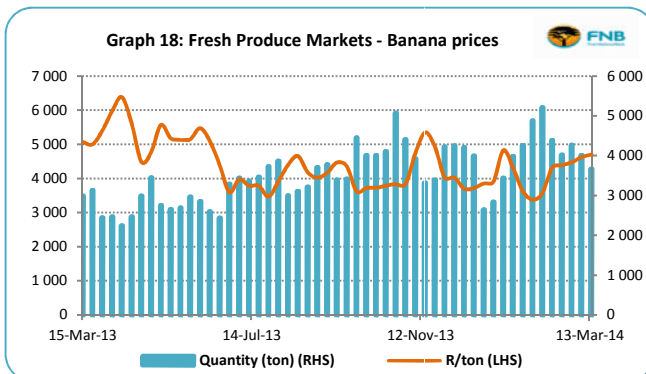
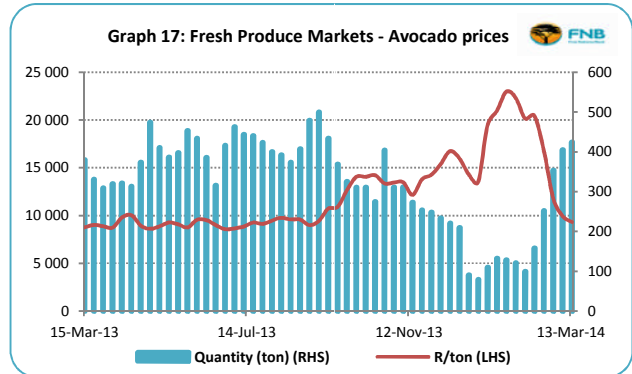
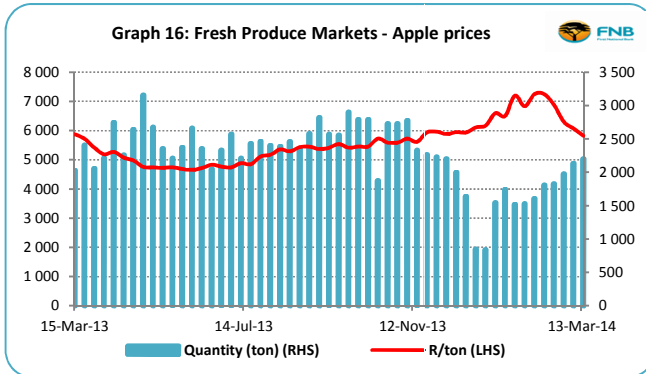
Graph 15: Fresh Produce Markets - Cabbage prices



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

Week ending 14 March 2014	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Tomato	7 073	-0.1%	41.3%	2913	-8.3%	-10.8%
Potato	3 798	3.0%	45.2%	12958	-7.0%	1.1%
Onion	4 302	1.2%	26.4%	4693	-21.8%	6.0%
Carrot	6 684	42.1%	58.5%	1145	-14.2%	-15.3%
Cabbage	2 610	2.8%	-8.2%	1206	0.5%	12.5%

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

The Fruit Market Trends – Major Fresh Produce Markets in SA (Graphs 16 to 21)

FRUIT PRICES: Major FPM. (Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)

Week ending 14 March 2014	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Apples	5 820	-4.1%	-0.9%	2197	3.1%	8.5%
Avocados	9 306	-6.3%	6.3%	424	4.8%	11.6%
Bananas	4 701	1.7%	-7.2%	3658	-8.6%	22.7%
Grapes	10 159	5.4%	8.4%	507	-14.3%	-29.4%
Mangoes	8 701	3.4%	-5.6%	278	-33.1%	4.8%
Oranges	8 651	-21.4%	109.5%	138	217.0%	-29.6%

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

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