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Agri-Weekly

FNB
First National Bank

18 September 2015

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<https://www.fnbagricomms.co.za>

Beef market trends (Graph 1)

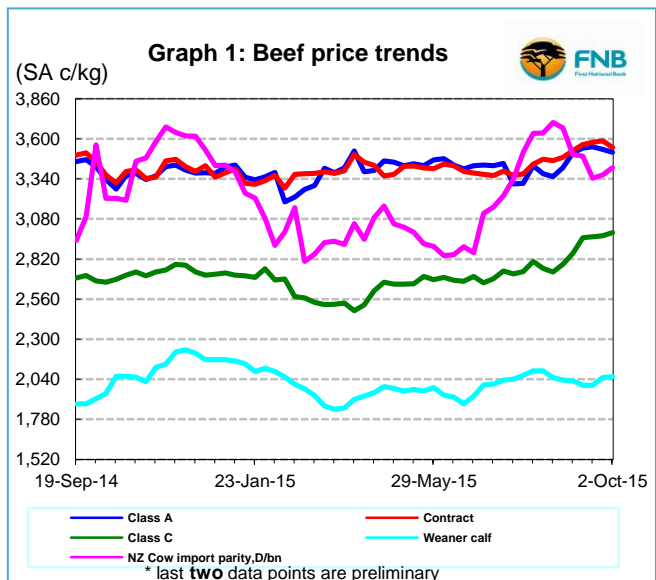
International:

- US imported beef prices posted modest losses on limited demand. Market activity on imports was reportedly slow to moderate.
- The domestic US beef market extended recent losses with wholesale boxed prices finishing lower across the board. US choice beef prices decreased by 2.8% w/w and 5.9% y/y at US\$21.77/cwt. The select beef prices were decreased by 2.1% w/w and 3.8% y/y at US\$223.34/cwt.
- In the cattle market, calf prices continued to trend lower. The CME feeder index decreased further to US\$200/, down 2.5% w/w and 13.1% y/y. The estimated weekly cattle slaughter number rebounded by 15% w/w but almost unchanged y/y at 576,000 head. The year to date cattle slaughter reached 20.24m head, which is still down by 6.8% y/y.
- The United States Department of Agriculture (USDA) reported a 3% decrease in cattle in US feedlots as of August 2015 in its latest Cattle on Feed update. The report indicated that feedlot cattle placements and marketing were the lowest since the series began in 1996. The low marketing number may be due to the fact that many producers opted to keep cattle on feed for longer, subsequently delaying marketing. It is also important to note that feed grain prices are relatively low and have improved the feeding margins, which incentivises producers produce heavier carcasses.
- In Australia, cattle prices extended gains with the benchmark Eastern Young Cattle Indicator (EYCI) increasing by 1% w/w and 64% y/y at AU\$5.92/kg cwt. Beef production is reportedly expected to ease somewhat this season but still above average levels. As a result, export projections were lowered which is price supportive in the medium term.

Domestic:

- Beef prices continued to trend firmer on improved demand ahead of the holidays. The tight supply situation due to prospects of improved production conditions as a result of the recent rains provided further support.
- Weekly Class A beef prices ended firmer at R35.49 per kg, which is up 2.8% y/y.
- Contract Class A beef prices advanced marginally to close at R35.77 per kg, up 2.4% y/y.
- Class C beef prices were almost unchanged on the week but still up 10.0% y/y at R29.65 per kg.
- In the weaner market, calf prices trended sideways under pressure due to weak demand across markets. Weekly weaner calf prices were unchanged compared to last week but still up on last year by 6.4% at R20.00 per kg live weight.
- Hide prices were slightly up but still low levels of just R13/kg (green). The depressed international demand continues to weigh heavily on the local market and prices are expected to continue to trend at current levels in the short to medium term.

OUTLOOK



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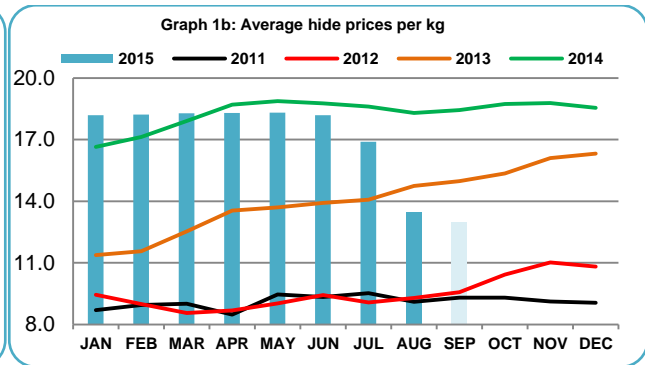
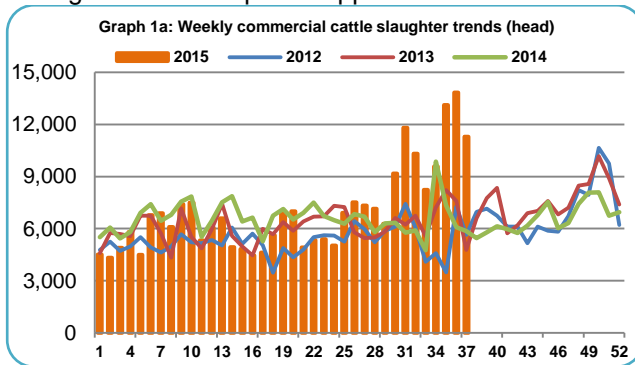
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The medium term price outlook remains bullish on the back of increased seasonal demand. Weather turned out positive for the industry with rains across most producing areas. Good rains at this time of the season will improve the grazing conditions in the short to medium term. As a result, cattle supplies will tighten which is price supportive.

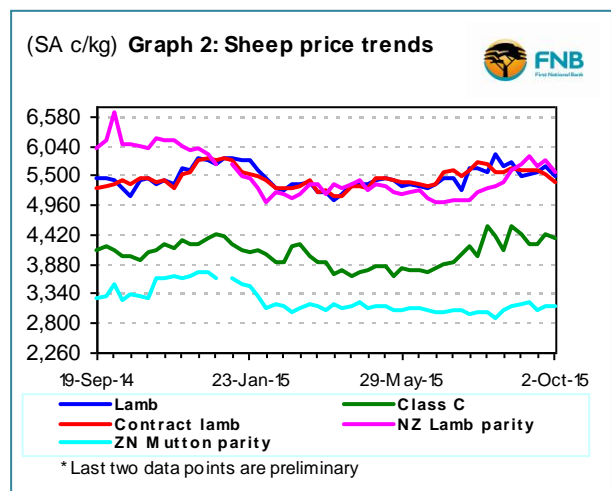


Source: RMMA; Hide prices for September is preliminary

Sheep market trends (Graph 2)

International:

- The Australian domestic prices posted sharp losses with the National Trades Lamb indicator closing down by 8% on last week at AU\$5.24/kg cwt. The mutton indicator prices closed the week down 6% at AU\$3.46/kg cwt.
- In New Zealand (NZ), the upward trend in domestic producer prices continues with the 17.5kg lamb increasing further at NZ\$100.80/ head, but down 5% y/y. Mutton prices advanced slightly to close at NZ\$54.10/ head, but still down by 11% y/y.
- NZ's lamb production is reportedly on the decline with latest forecasts pegging this season's forecast to 1.8m head, which is down 7.2% on last year.
- In the US, Lamb Carcass Cutout prices continued to soften and closed the week at US\$323.51/cwt, which is down by 3.3% y/y. Weekly sheep slaughter number increased by 18.8% w/w to 38,000 head, but still down by 5% y/y. The cumulative year to date sheep slaughter reached 1.42m head, down by 6.7% y/y. The cumulative year to date lamb production is down by 5.2% compared to the same period last year at 100.30 million pounds.



Domestic:

- Lamb and mutton prices posted marginal gains on the back of renewed demand.
- Weekly Class A lamb prices gained 0.8% w/w and 2.2% y/y and closed at R55.50 per kg.
- Contract Class A lamb prices ended a bit firmer at R55.86 per kg, up 6.5% y/y.
- Mutton prices were a bit firmer at R42.31 per kg, up 2.8% y/y.
- Weaner lamb prices trended mostly sideways due to the limited demand across markets. Weekly weaner lamb prices steadied at R27.17 per kg live weight, but still 8.7% higher y/y.

OUTLOOK

Domestically, early spring rains were reported across most producing areas. This will improve moisture levels and boost pasture regrowth after the winter period. Supplies are therefore expected to tighten in the medium term as producers hold back to take advantage of the improved production conditions. Internationally, prices remain relatively firm as supplies from the traditional suppliers remain limited. The market will trend upwards on increased seasonal demand as the Christmas period draws nearer.

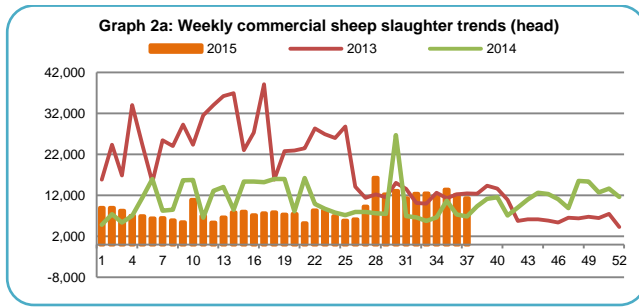
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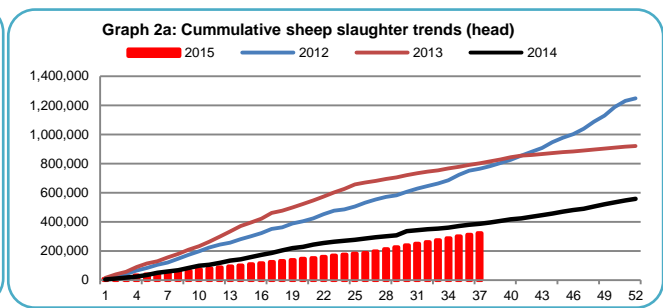
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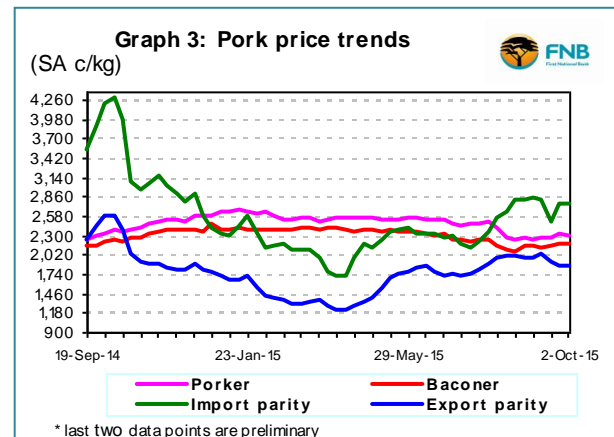
Source: RMMA



Pork market trends (Graph 3)

International:

- US pork prices extended recent losses on softer demand.
- Pork carcass cutout values finished the week slightly down by 1.9% at US\$83.53/cwt, which is 25.1% lower y/y.
- Loin prices advanced further and closed at US\$81.55/cwt, which is still 34.7% lower y/y.
- Ham prices decreased further by a whopping 11.8% w/w and 48.5% y/y at US\$57.57/cwt.
- Rib prices were down 5.7% w/w and 6.7% y/y at US\$134.58/cwt.
- Weekly US estimated pig slaughter number increased by 11.7% w/w at 2.28m head, up 12% y/y. The year-to-date estimated pig slaughter reached 80.87m head, which is up 8% y/y.
- The USDA WASDE report made a slight reduction to its 2015 pork production estimate to 11.04m tons, but left the 2016 figure unchanged at 11.13m tons. The pork import and export forecasts came in unchanged 0.5m and 2.2m tons respectively.
- In the European Union (EU), pig slaughter during the first half of 2015 was reported up 4% y/y due to the increase in the breeding herd during 2014. Major increases in pig slaughter were in Spain (+8%), followed by the Netherlands, Germany, France and Denmark. Total meat production during the six months to June 2015 was reported up 5% y/y at 11.4m tons largely due to increased carcass weights.

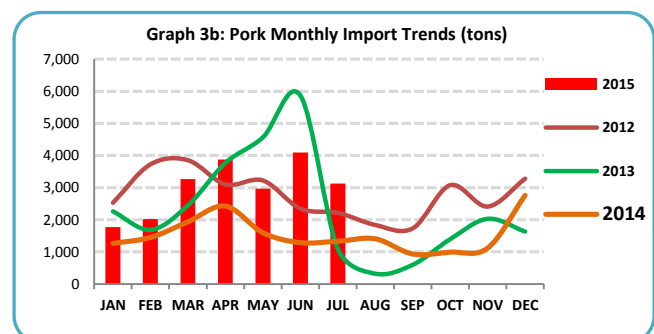
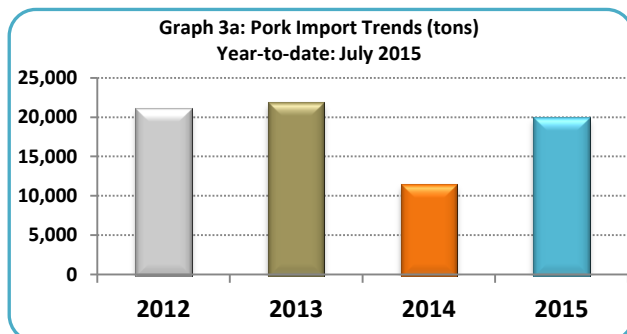


Domestic:

- This week saw modest gains in the pork market as demand improved ahead of the Heritage holiday.
- Weekly baconer prices closed at R22.68 per kg, up 0.7% w/w and 1.9% y/y.
- Baconer prices were marginally higher by 0.9% w/w but almost unchanged y/y at R21.33 per kg.
- Import parity prices continued to weaken due to the lower international prices and slight gains in the Rand/US dollar exchange rate.

OUTLOOK

It is however expected that prices will trend sideways with further upside potential in the medium term due to increased seasonal demand. Internationally, downside pressure remains due the increased production particularly in the US where the industry is recovering from the Porcine Epidemic Diarrhoea virus (PEDv) outbreak. Additionally, the weaker global feed commodity prices will bolster production and improve producer margins.



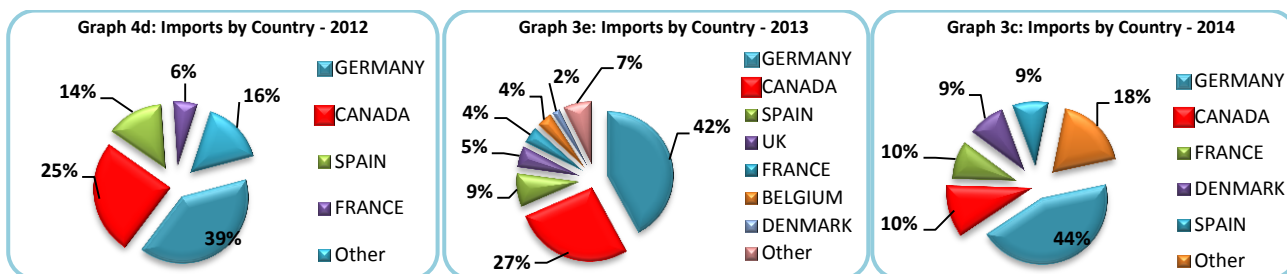
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Source: SAPPO, SARS, Own Calculations

Poultry market trends (Graph 4)

International:

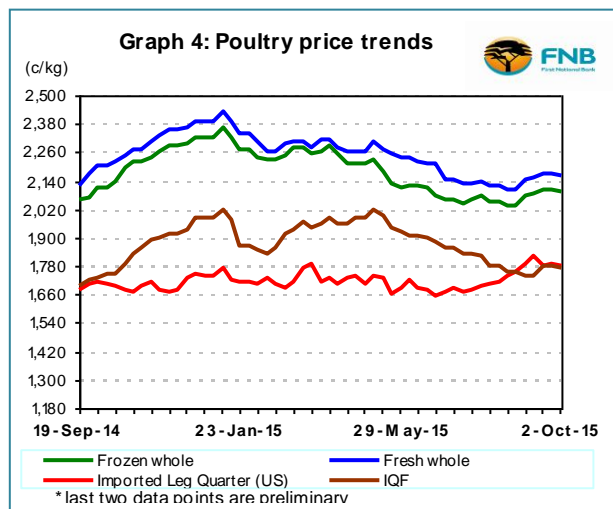
- US broiler prices were modestly lower across most categories with the exception of the drumsticks which rebounded strongly following last week's sharp decline. Market activity was reportedly slow to moderate.
- Demand was reportedly light to moderate at retail and fair to good at food service level.
- Whole bird prices remained unchanged at US114.50 cents/lb, but still up 1% y/y.
- Leg quarter prices again steadied at US45.50 cents/lb, but still down by 13.3% y/y.
- Breast cut prices eased by 1.2% w/w and 0.8% y/y at US127.00 cents/lb.
- Wing prices moved marginally down by 0.6% w/w and closed at US156.00 cents/lb, which is 4.7% higher y/y.
- Drumsticks prices increased by 13.5% w/w but still down by 14.4% y/y at US54.50 cents/lb.
- USDA reduced its forecast of US broiler production for 2015 and 2016 by 1% respectively from last month as producers scaled down in response to weaker margins. The export forecast lowered by 2% and 11% respectively for 2015 and 2016 due to a sustained weakness in demand.
- In the recent USDA Foreign Agricultural Service update, domestic broiler production for Brazil was forecast to increase by 5% to reach 13.5m tons in 2016 as producers respond to higher world demand coupled with improved competitiveness due to the weaker currency. The Brazilian Real has reportedly shed almost 30% of its value due to the recessionary economic conditions.

Domestic:

- The poultry market saw a slight recovery in prices across the board as demand improved ahead of the month end and a holiday week.
- The Individually Quick Frozen (IQF) prices bottomed out and edged higher by 2.4% w/w and 5.1% y/y and closed at R17.78 per kg.
- In the whole bird category, prices continued to trend firmer with the weekly medium frozen prices closing at R21.00 per kg, which is up 1.8% on last year.
- Medium fresh whole bird prices advanced marginally at R21.68 per kg, up by 0.8% w/w and 2.4% y/y.

OUTLOOK

It is expected that poultry prices will trend sideways with limited upward potential in the short term due to volume pressure. However, the seasonal rebound in demand as the December festive draws nearer will provide further support for the market. Meanwhile, the higher feed grain prices continue to exert downward pressure on producer margins. Internationally, production conditions remain favourable for production expansion due to lower prices for feed grains and oilcake.



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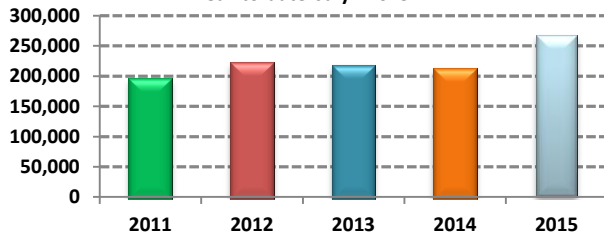
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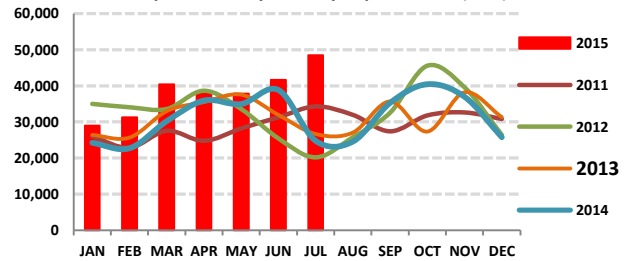
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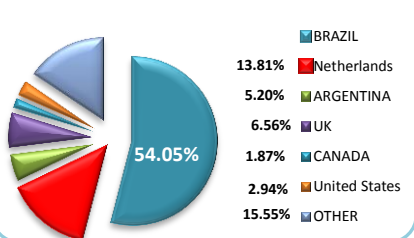
Graph 4a: Poultry Import Trends
Year-to-date: July - 2015



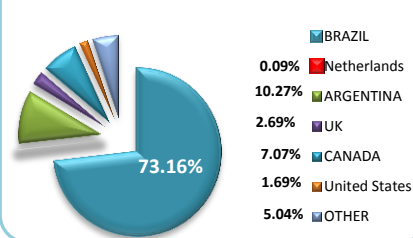
Graph 4b: Poultry Monthly Import Trends (tons)



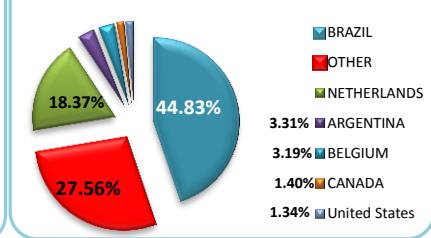
Graph 4e: Imports by Country - 2012



Graph 4c: Imports by Country - 2013



Graph 4e: Imports by Country - 2014



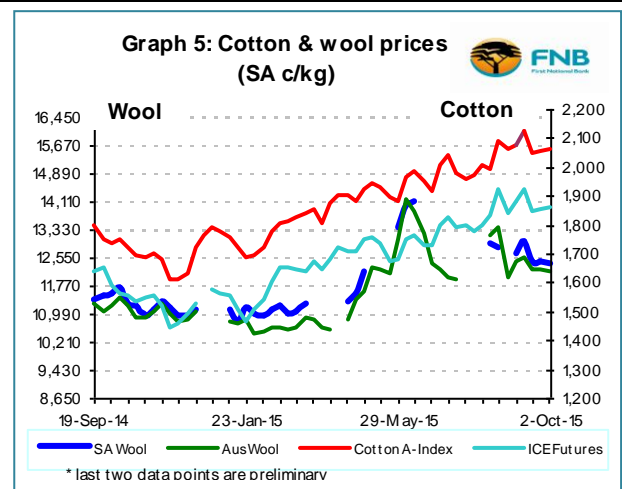
Source: SARS, Own Calculations; *Excluding BNLS

Producer prices for selected livestock commodities 18 September 2015	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	35.49	55.50	22.68	21.68
Open market: Class C / Baconer / Frozen whole birds(R/kg)	29.65	42.31	20.25	21.01
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	35.77	55.86	21.33	17.78
Import parity price (R/kg)	33.44	30.46	24.83	17.84
Weaner Calves / Feeder Lambs (R/kg)	20.00	27.17		

Wool and cotton market trends (Graph 5)

International:

- Cotton prices moved sideways to lower early in the week as the market waited in anticipation of the US Federal Reserve Bank (FED) decision on US interest rates.
- The move to hold the interest rate unchanged and at a record low is supportive for the cotton market as it will boost demand for cotton products.
- The rate decision coupled with easing of the US\$ after the Federal reserve Bank announced to keep interest rates unchanged in order to stimulate consumption helped limit overall losses.
- Meanwhile, export sales benefited from this with shipments for the week up 57% w/w and 53% higher than the four week average at 59,400 bales. Major buyers were Vietnam, Mexico, Turkey and Indonesia.
- US cotton output is estimated at 13.4m bales, down 17% y/y mostly due to reduction in plantings. Despite the strong US\$ exports were raised higher on good demand in other Vietnam and Indonesia offsetting declines in China. US export sales are expected to reach 10.2m bales. Ending stocks are currently estimated at 3.2m bales, down 500,000bales from last year.
- Other survey reports however expect further upward revisions in the short term within a region of 13.6m and 13.8m bales.
- World production was lowered reflecting reductions in Brazil and Pakistan. Overall world production is expected to reach 108.7m tons, down 9% y/y. Consumption was lowered from the previous estimates on uncertainties in the world economy and large stocks of yarn.
- Cotton prices settled the week at US69.41 cents/lb, almost unchanged w/w but down 7% y/y.
- In the futures market, prices were slightly down w/w with both the Dec-15 and Mar-15 contracts down 1% averaging US62 cents/ lb.



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- Wool market: Wool prices suffered some losses on the Australian wool market due to selling pressure. The AWEX Eastern Market Indicator (EMI) was down 2% w/w but up 9% y/y at AU\$12.34 per kg clean wool. Volumes of sales reached 85% of the 37,215 bales offered.

Domestic:

- The spill over weakness from the international market was enough to erase last week's gains. The weekly Cape Wools Merino indicator finished down 4% w/w but 8% higher y/y at R124.60 per kg (clean). At current levels, the indicator was down 4% compared to the opening sale of the season and 3% down compared to the season to date average.
- Major wool buyers were Lempriere SA with 2,251 bales (29.7%), Standard Wool SA with 1,797 bales (23.7%), G Modiano SA with 1,286 bales (17%), and Stucken & Co with 827 bales (10.9%).

Fibre market prices 18 September 2015	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Dec-15 (AU\$/kg)	Australian futures Mar-15 (AU\$/kg)
Wool market indicator (R/kg)	124.60	118.33		
19µ long length wool (R/kg)	130.09	129.93	12.50	12.30
21µ long length wool (R/kg)	122.85	122.55	12.10	11.90
23µ long length wool (R/kg)	-	121.21	10.90	10.70
Fibre market prices 18 September 2015	SA derived Cotton (R/kg)	New York A-Index (US\$/kg)	Cotton Futures Oct-15 (US\$/kg)	Cotton Futures Mar-16 (US\$/kg)
Cotton Prices (R/kg)	20.47	1.53	1.37	1.37

Cotton Futures on the InterContinental Exchange (ICE);

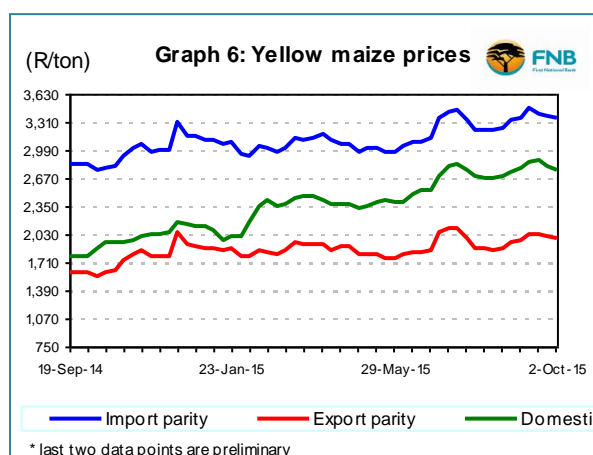
Yellow maize market (Graph 6)

International:

- US maize extended recent gains on the back of the softer of the US\$ after the Federal Reserve announced it will leave rates unchanged. This improved the competitiveness of US exports on world markets.
- Favourable weather conditions for early harvesting in the US however limited gains. Crop maturity was reported at 53%, 13-percentage points ahead of last year however slightly behind the 5-year average.
- Harvest progress was reported at 10% of the expected crop, 3-percentage points ahead of last year as warm weather accelerated crop maturity and supported fieldwork.
- The USDA's WASDE report also came in tighter lending further upward support on the market. Overall feed grain supply was slightly lowered on lower than expected yields as rain damage was irreversible in other parts of the Maize Belt. Total 2014/15 US crop is expected to reach 345.07m tons, down 4% y/y.
- Feed use is expected to ease on a smaller crop, however this is offset by increased used for sweeteners, bringing ending stocks to 40.45m tons, 3m tons lower than the August estimate and almost 4m tons lower y/y.
- World production was consequently lowered to 978.10, down 7.5m tons from the previous estimate and 3% down.
- Production was also lowered in the EU and the Philippines on untimely dry warm weather conditions.
- Consumption is expected to ease to 985.62m tons on lower feed use in the USA and EU. This is on the back of abundant feed grain supplies making maize less competitive.

Domestic:

- Prices continue to benefit from the higher import parity levels. This saw the weekly average yellow maize prices settling at R2,872 per ton, up 1% w/w and 62% y/y.
- Exports for the week came in at 3,848 tons, all destined for the neighbouring countries.
- Imports for the week were registered at 53,359, with 30,147 tons sourced from Brazil and the rest from Argentina. Cumulative year to date imports were pegged at 292,232 tons mostly sourced from Argentina.



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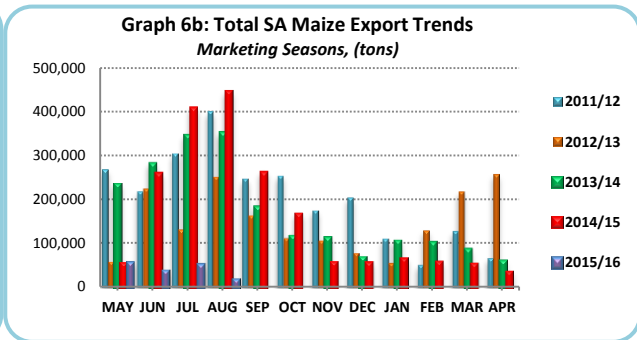
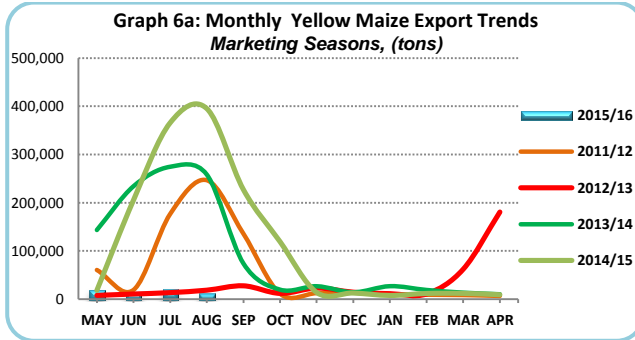
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OUTLOOK

It is a weather market on both the international and domestic market. Warm and dry weather conditions should accelerate crop maturity ahead of harvesting in the US, while wet weather conditions on the domestic front should bolster soil preparations ahead of the planting season.



Source: SAGIS

Yellow Maize Futures 18 September 2015	Dec-15	Mar-16	May-16	Jul-16	Sep-16
CBOT (\$/t)	149	153	156	158	156
JSE (R/t)	2,862	2,828	2,591	2,575	2,639
CHICAGO CORN (R/t)	2,008	2,100	-	2,220	-

Calculated Yellow Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Dec-15			Mar-16			May-16		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2,900	136	98	2,860	195	163	2,640	223	174
2,860	114	116	2,820	173	181	2,600	200	191
2,820	95	137	2,780	153	201	2,560	179	210

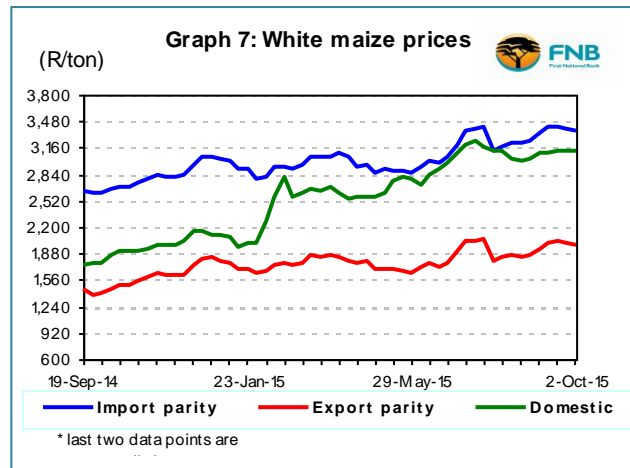
White maize market trends (Graph 7)

International:

- White maize prices posted good gains on good buying support from the slightly weaker US\$.
- Weekly average white maize prices averaged US\$152/ton, up 4% w/w and 12% y/y.

Domestic:

- Prices were slightly firmer despite a relatively firmer Rand. Regional supply shortages remain a concern and continue to provide support.
- Early spring rains helped improve soil moisture as land preparations began in some of the growing regions.
- White maize prices averaged R3,126 per ton, up 79% y/y.
- Exports for the week were pegged at 8,260 tons, with the cumulative season to date reaching 154,788 tons, all destined to neighbouring countries.
- Imports for the week came in at 529 tons, bringing cumulative year to date imports to 6,353 tons. All sourced from Zambia.



OUTLOOK

It is a weather market on both the international and domestic market. Warm and dry weather conditions should accelerate crop maturity ahead of harvesting in the US, while wet weather conditions on the domestic front should bolster soil preparations ahead of the planting season.

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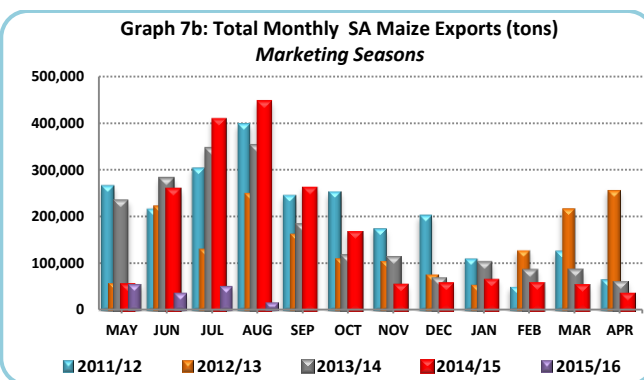
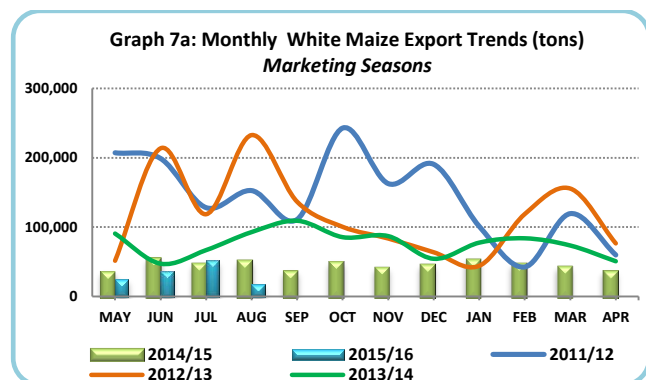
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White Maize Futures 18 September 2015	Sep-15	Dec-15	Mar-16	May-16	Jul-16			
JSE (R/t) WM ₁	3,165	3,120	2,758	2,742	-			
Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Dec-15			Mar-16			May-16		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
3,200	169	134	3,160	250	210	2,800	281	239
3,160	148	153	3,120	228	228	2,760	258	256
3,120	128	173	3,080	207	247	2,720	237	275



Source: SAGIS;

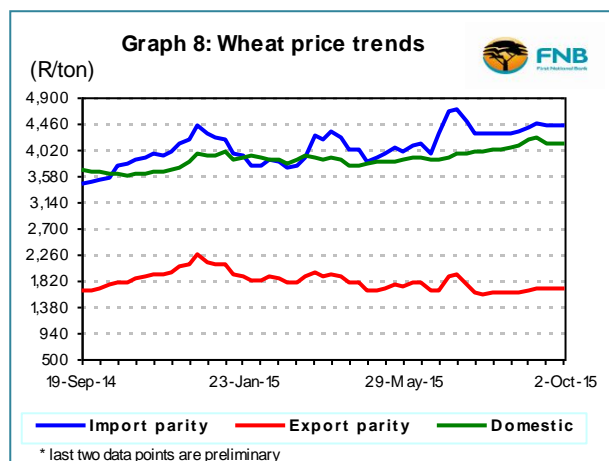
Wheat market trends (Graph 8)

International:

- Wheat prices posted moderate gains on some buying support mainly due to the softer US\$.
- However, gains were short-lived as the overall fundamental picture still appears negative.
- The US wheat remains uncompetitive on the world market as the US\$ remains at historical highs. Plentiful supplies in major exporting countries and a progressive harvesting in the US were amongst other bearish factors.
- By week's end 97% of the US spring was harvested, well ahead of the five year pace of 86%. Winter wheat planting was reported to be in par with the five year average pace.
- In the EU, production was revised higher on some improvements in yields. An analyst firm Strategie Grains anticipated EU soft wheat to reach 148m tons, a 3.5m increase from the August estimate but slightly down on last year's crop. The Australian Bureau of Agriculture, Resource Economics and Rural Sciences increased Australia's wheat output to 25.3m tons and consequently estimated exports were raised by 7% to 17.5m tons.
- Nonetheless, world consumption remains strong despite the bleak world economic environment. USDA expects world total consumption to reach 715m tons, up 4% from the 5-year average. The increase will mainly be driven by strong demand in Ukraine at 12.7m tons, the highest in 10 years. Other notable domestic consumption increases are seen in the EU and Russia on abundant domestic supplies.
- Due to the build-up in stocks following 3 years of consecutive record harvest, ending stocks are expected to reach a record 227m tons. Stocks are notably high in China at 89.3m tons (45% higher than the 5-year average, and 39% of the total world stocks).

Domestic:

- Prices posted moderate losses after weeks of consecutive gains on spill over weaknesses from the international market, notwithstanding the downward revision in planted area and a bearish domestic supply outlook.



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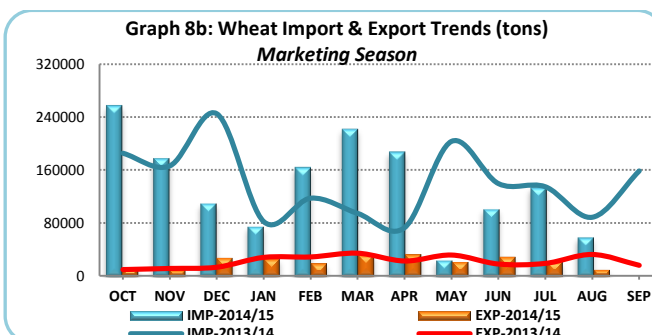
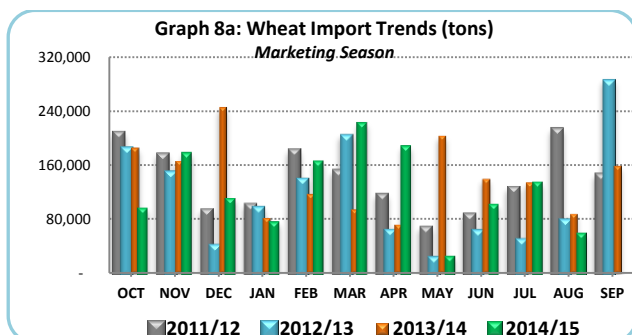
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- In its first 2015, crop estimate report, the CEC put the new season crop at 1.7m tons, down by 3% y/y reflecting reduced plantings in the Western Cape.
- Weekly wheat prices closed at R4,289 per ton, down by 3% w/w however up by 11% y/y.
- Imports for the week came in at 40,568 tons all sourced from Russia. The cumulative year to date figure reached 1.7m tons.

OUTLOOK

Price expectations remain on the downside on plentiful world supplies. The weaker domestic currency remains the main supportive feature.



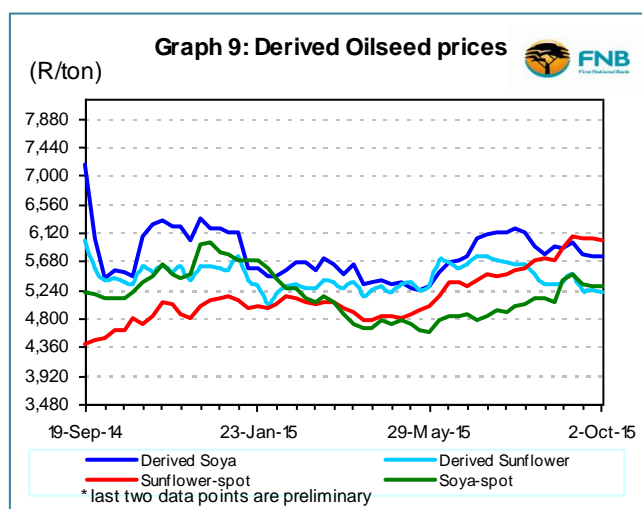
Source: SAGIS;

Wheat Futures 18 September 2015	Dec-15	Mar-16	May-16	Jul-16	Sep-16			
KCBT (\$/t)	177.18	182.40	186.07	189.60	194.74			
JSE (R/t)	4,225	4,195	4,280	-	-			
Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Dec-15			Mar-16			May-16		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
4,020	125	94	4,120	190	154	4,020	125	94
3,980	104	113	4,080	169	173	3,980	104	113
3,940	85	134	4,040	149	193	3,940	85	134

Oilseed market trends (Graph 9)

International:

- Soya bean prices closed the week slightly higher on spill over gains from the feed grain market.
- Further support came from a tighter USDA WASDE report with US ending stocks lowered to 12.26m tons. This was due to a strong demand for crushing which was raised by 272,000 tons due to 50.89m tons. The stronger US\$ has not curbed export demand for US soya beans.
- Despite uncertainties over the Chinese economy, import demand in China was left unchanged at 79m tons in the WASDE report, up by 2m tons from last year.
- Overall world soya bean production was lowered to 319.6m tons, reflecting reductions in Ukraine and Canada where dry weather conditions reduced yield prospects.
- Ending stocks were consequently lowered to 84.98m tons however remaining 8% higher compared to last year.



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Domestic:

- Oilseed prices posted slight losses on Rand gains despite strength on the international market.
- Weekly soya bean prices were down 3% w/w but 2% higher y/y at R5,311 per ton.
- Sunflower prices averaged R6,038 per ton up 3% w/w and 44% compared to last year time.

OUTLOOK

Internationally, the short to medium term outlook for oilseed prices remains bearish due to the abundant global supplies. Nonetheless, the renewed Rand weakness should provide some cushion for the local market.

Oilseeds Futures 18 September 2015	Dec-15	Mar-16	May-16	Jul-16	Sep-16
CBOT Soybeans (US \$/t)	-	321.36	322.61	324.30	320.85
CBOT Soya oil (US c/lb)	26.25	26.82	27.04	27.24	27.41
CBOT Soya cake meal (US\$/t)	339.29	335.65	332.57	333.01	332.46
JSE Sunflower seed (R/t)	5,960	5,590	5,050	-	-
JSE Soybean seed (R/t)	5,280	5,150	5,020	-	-

Calculated Sunflower Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Dec-15			Mar-16			May-16		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
6,000	196	156	5,640	275	225	5,100	416	366
5,960	174	174	5,600	254	244	5,060	394	384
5,920	155	195	5,560	233	263	5,020	373	403

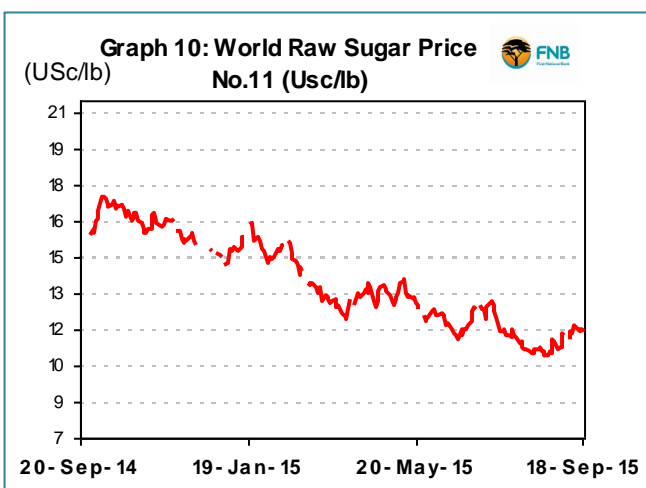
Sugar market trends (Graph 15)

International:

- Modest recovery continues in the sugar market, reversing the recent downtrend as demand improved.
- However, it is still a bearish market on abundant supplies and a bleak economic environment in developing market economies especially Brazil.
- Further, weakness in the Brazilian Real and forecasts for better harvest weather in Brazil helped limit gains. Weather conditions in Brazil have turned favourable to allow for the remaining harvest of cane to proceed.
- India's sugar production is expected to reach 28.3m tons, up by 4m tons y/y while demand is pegged at 24.5m tons.
- In the US, the WASDE report showed a decrease of 90,291 short tons raw value (STRV) from last month in the beginning stocks for 2015/16 due to revised estimates for 2014/15, including supply reduction of 6,291, an 119,000 increase in deliveries, and a 35,000 decrease in exports.
- Total 2015/16 US sugar production was projected down 66,000 from last month at 8.734m STRV. The import projection for 2015/16 came in at 3.4m STRV, up 24,959 STRV. Ending stocks were projected at 1.5m STRV, implying an ending stocks-to-use ratio of 13.5%.
- Raw sugar prices averaged US11.46 cents/lb, slightly up on last week but remaining 16% lower y/y.
- Futures were moved sideways to weaker with sugar for Mar-16 delivery ending virtually unchanged from last week at US12.22 cents/lb. The May-16 contract was down 1% w/w at US12.18 cents/lb.

Domestic:

- The September 2015 RV price in respect of cane delivered in August 2015 was declared at R3, 805.77 per ton, down by R20.51 m/m. According to the South African Cane Growers Association, this was attributable to the 35,143 drop in local market demand estimate (LMDE) which is currently estimated at 1.59m tons.



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- Other negative factors were the lower sugar:RV ratio and the plummeting weighted average No.11 price. Losses were however limited by the 14,227 tons reduction in sugar output estimation currently at 1.7m tons.
- Export availability was revised up to 81,008 tons, up 12% from the August estimate on reduction in LMDE. Further significant revisions on export availability are however expected given the uncertainty in the crop estimate as it is still early in the season.

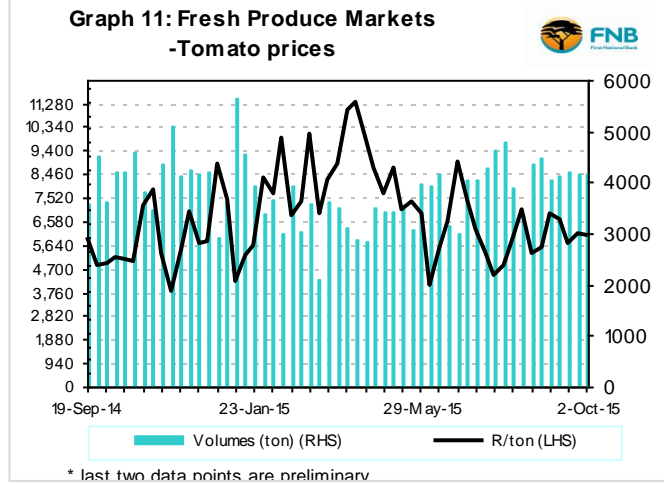
ICE Sugar Futures 18 September 2015	Mar-16	May-16	Jul-16	Oct-16	Mar-17
Sugar No.11 (US c/lb)	12.22	12.18	12.12	12.25	12.72
% Change w/w	-0.4%	-1.1%	-1.1%	-1.7%	-1.9%

Vegetable Market Trends (Graphs 11 to 15)

Tomatoes

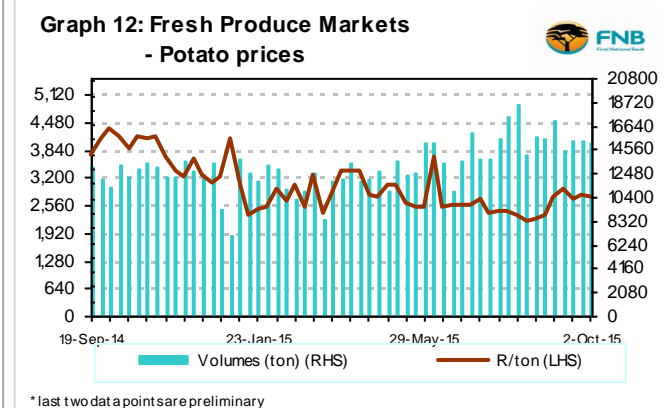
Tomato prices extended losses on slightly higher volumes across markets. Weekly tomato prices closed at R5,700 per ton, down 14% w/w and 4% y/y. Volumes of tomatoes traded reached 4,212 tons, up 2% w/w and 17% higher y/y.

It is however expected that prices will rebound in the short to medium term on strong month end demand.



Potatoes

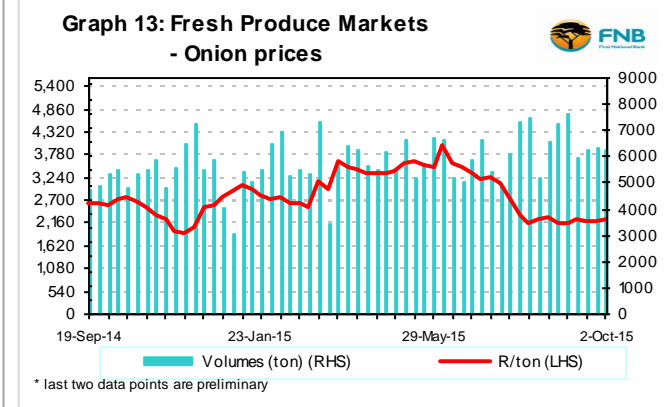
Potato prices weakened as the higher volumes from the recent harvest hit the market. The average weekly price of potatoes reached R2,711 per ton, down 7% w/w and 27% y/y. Volumes of potatoes traded came in at 15,404 tons, up 7% w/w and up 18% y/y. Prices are expected to rebound slightly on good market uptake.



Onions

In the onion market, prices resumed a bearish trend on supply pressure. Weekly onion prices closed at R2,200 per ton, down 2% w/w and down 27% y/y. Volumes of onions traded were pegged at 6,227 tons, up 4% w/w and 32% higher y/y.

Prices are expected to continue to trend sideways to lower in the short to medium term on volume pressure.



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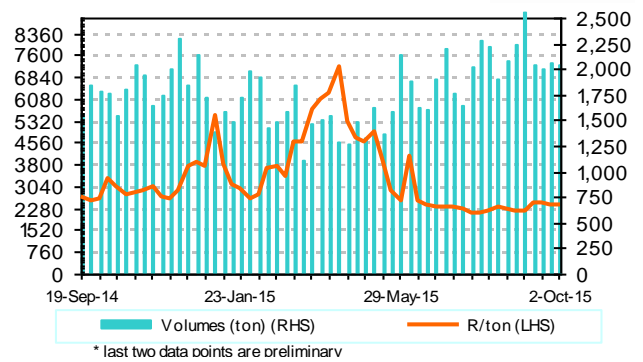
Carrots

Carrot prices moved sideways to weaker on softer midmonth demand.

Weekly carrot prices were virtually unchanged w/w but down 8% y/y, closing the week at R2,446 per ton. Volumes of carrots traded reached 2,000 tons, down 2% w/w but 27% higher y/y.

Prices are expected to remain under downward pressure due to higher volumes.

Graph 14: Fresh Produce Markets - Carrot prices



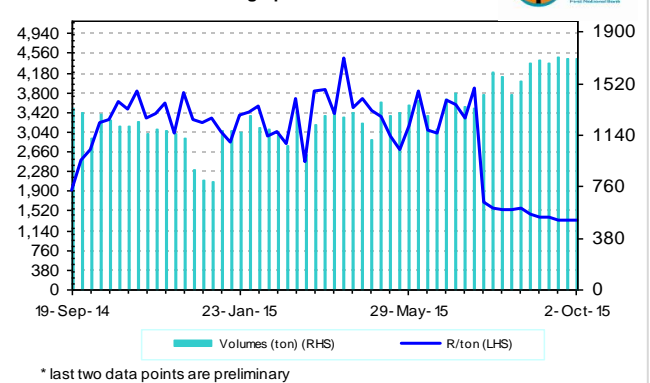
Cabbages

Cabbage prices posted modest losses under pressure due to limited uptake across markets.

Weekly cabbage prices closed at R1,317 per ton, down 5% w/w and 31% y/y. Volumes of cabbages traded were up 3% w/w and 28% y/y.

Prices are expected to move sideways with limited upside potential on abundant supplies.

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 18 September 2015	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Tomato	5,700	-14%	-4%	4212	2%	17%
Potato	2,711	-7%	-27%	15404	7%	18.2%
Onion	2,200	-2%	-16%	6227	4%	32%
Carrot	2,446	0%	-8%	2000	-2%	27%
Cabbage	1,317	-5%	-31%	1718	3%	28%

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

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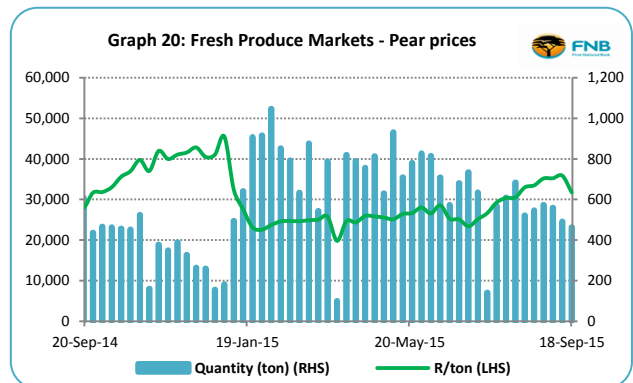
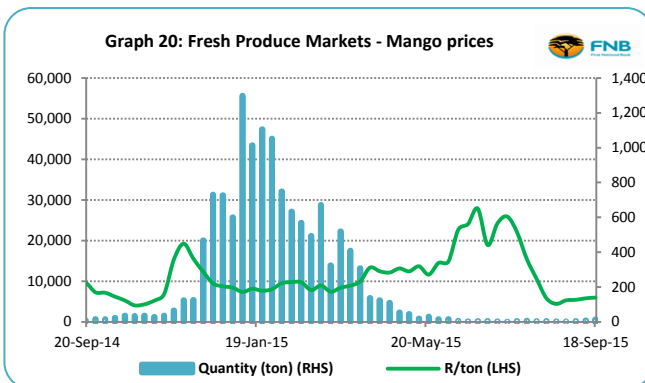
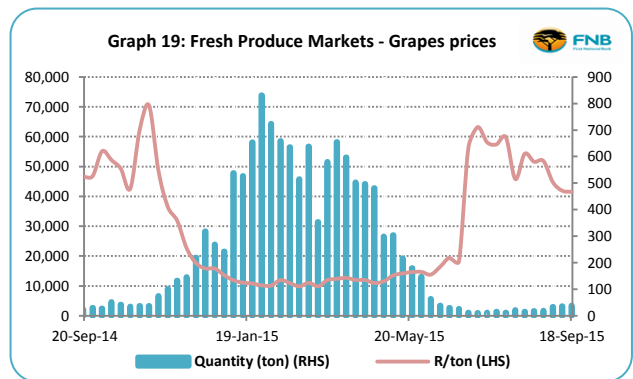
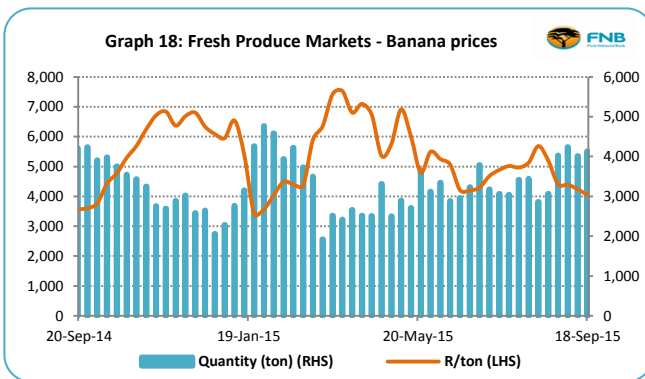
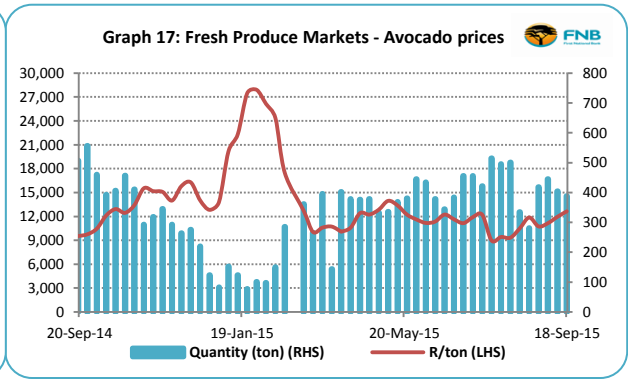
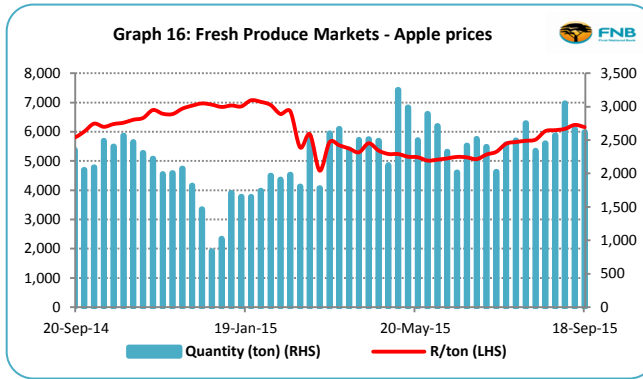
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The Fruit Market Trends – Major Fresh Produce Markets in SA (Graphs 16 to 20)



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

Week ending	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
18 September 2015						
Apples	6,159	-1%	6%	2620	-2%	11%
Avocados	12,642	6%	33%	388	-4%	-23%
Bananas	4,047	-5%	13%	4132	3%	-2%
Grapes	41,533	-1%	-11%	39	5%	57%
Pears	31,742	-11%	14%	464	-6%	-24%

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

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