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# Agri-Weekly



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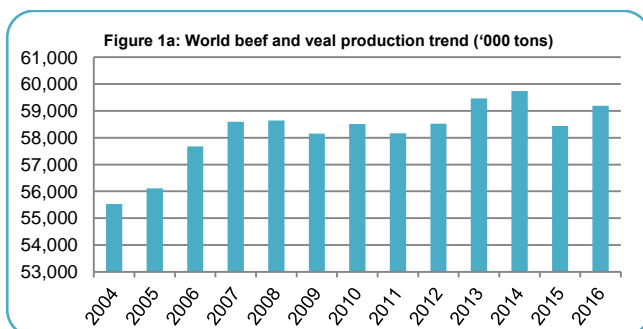
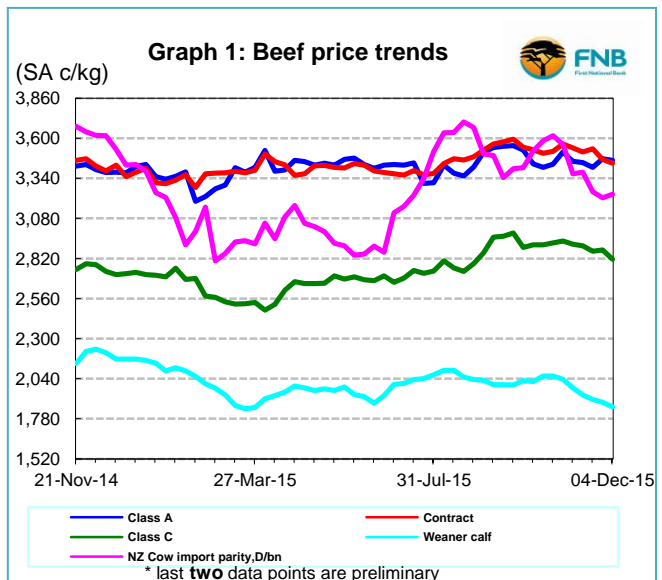
20 November 2015

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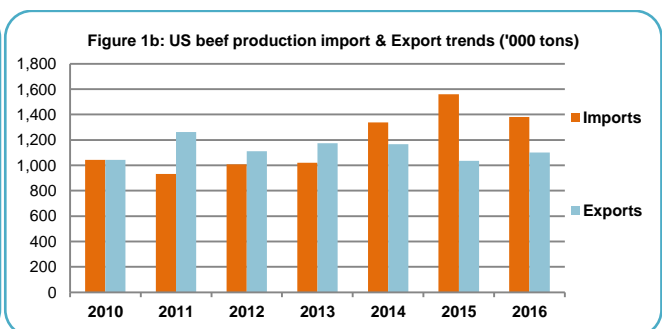
## Beef market trends (Graph 1)

### International:

- In Australia, cattle prices maintained a firmer trend on the back of improved production conditions in some of the producing areas.
- The Eastern Young Cattle Indicator (EYCI) advanced by 1% w/w and 81% y/y at AU\$5.96/kg cwt.
- US imported beef prices continued to weaken under pressure due to low seasonal demand and heavy domestic supplies.
- US wholesale beef prices remained under pressure and weakened with the choice category falling further by 3.5% w/w and 19% y/y at US\$206.41/cwt. The select beef cutout prices were down by 4.1% w/w and 19.2% y/y at US\$195.18/cwt.
- In the cattle market, the CME feeder cattle index weakened further by 3.8% w/w and 27.4% y/y at US\$174.39/cwt. The US weekly cattle slaughter number came in 571,000 head, up 2.7% w/w but almost unchanged y/y. The year to date cattle slaughter reached 25.31m head, which is still down by 5.5% y/y.
- The United States Department of Agriculture (USDA) lowered its projection of the 2015 and 2016 US beef production in the November 2015 World Agriculture and Demand Estimates (WASDE) report. Beef production for 2015 and 2016 was lowered to 10.70m and 11.21m tons respectively on slower expected marketings from feedlots into early 2016. However, the slower pace of slaughter is partly offset by higher expected carcass weights.
- On trade, the 2015 estimate was lowered by 2.6% m/m to 1m tons to reflect the current pace of exports. The 2016 export projection was unchanged from the previous month at 1.1m tons.



Source: USDA, PSD



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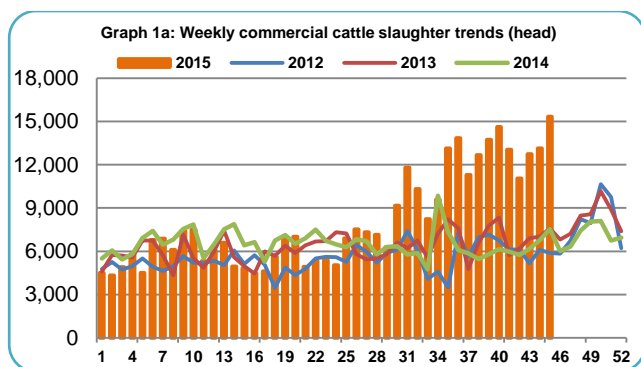
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**Domestic:**

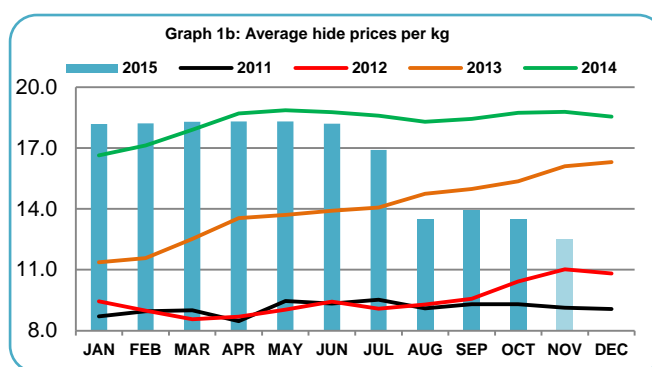
- Beef prices trended mostly lower under pressure due to limited demand during midmonth.
- Weekly Class A beef prices eased marginally lower from last week and closed at R34.10 per kg, but almost unchanged compared to last year this time.
- Contract Class A beef prices were however the exception and finished a bit firmer at R35.32 per kg, up 2.2% y/y.
- Class C beef prices eased slightly lower by 1.2% w/w and closed at R28.68 per kg, but still 4.3% higher y/y.
- In the weaner calf market, prices remained under pressure from increased supplies due to the drought induced culling.
- Weekly weaner calf prices fell further by 1.6% w/w and 11% y/y at R19.05 per kg live weight.

**OUTLOOK**

While conditions improved marginally of late, dryness continues in many areas and may force producers to reduce their stock holdings with animals reaching the market at lighter weights. The combination of reduced availability of feed and higher maize prices has placed industry profitability under strain.



Source: RMMA; November figure is preliminary



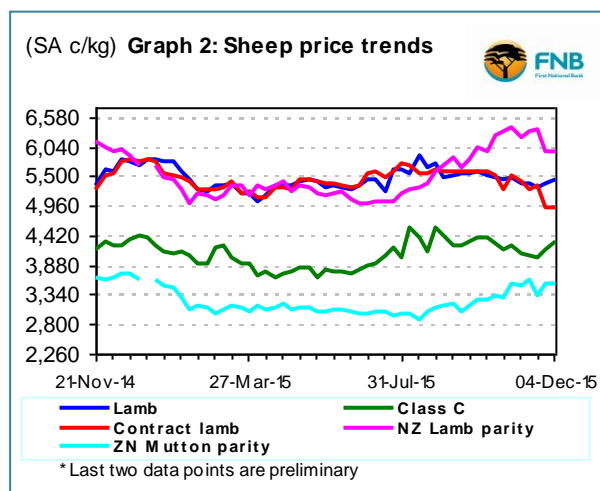
**Sheep market trends (Graph 2)**

**International:**

- In Australia, domestic producer prices were again mixed with the National Trades Lamb indicator rebounding slightly by 2.6% from last week to close at AU\$5.14/kg cwt. The mutton indicator prices reversed recent gains and weakened under pressure due to higher volumes. The weekly market indicator closed down 2% w/w at AU\$3.18/kg cwt.
- In New Zealand (NZ), the domestic producer prices continued to soften across the board with the 17.5kg lamb slightly down on last year by 2% to NZ\$95.50/head. Mutton prices settled at NZ\$58.30/head, but still down by 13% y/y.
- In the US, Lamb Carcass Cutout prices eased marginally lower to close at US\$325.78/cwt, which is down 7.2% y/y. The weekly sheep slaughter number rose by 5% w/w and 2.4% y/y at 42,000 head. The cumulative year to date sheep slaughter reached 1.77m head, which is still down by 6% y/y. Lamb production for the year to date was down 5.2% compared to the same period last year at 123.2 million pounds.

**Domestic:**

- Prices continued to weaken across the board as drought conditions forced producers to reduce their stock levels.
- Weekly Class A lamb prices eased by 1.3% w/w and 0.8% y/y at R52.95 per kg.
- Contract Class A lamb prices moved slightly firmer at R53.50 per kg, which is up by 1.4% y/y.
- Mutton prices came under pressure due to higher volumes, falling by 1% w/w and 3.7% y/y at R40.24 per kg.



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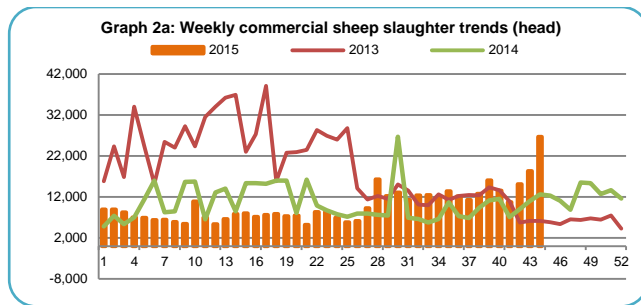
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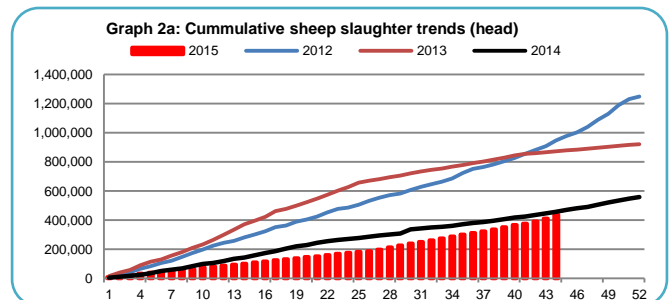
- The supply and demand of weaner lambs is out of balance due to higher volumes and limited interest as feedlots are reportedly full to capacity. As a result, prices continued to weaken. The average weekly weaner lamb prices fell by 3.8% w/w but almost unchanged y/y at R25.67 per kg live weight.

**OUTLOOK**

The softer trend will continue in the short term on increased supplies due to drought. Recent rains in some areas are welcome but more is needed to ensure enough moisture to reboot pastures.



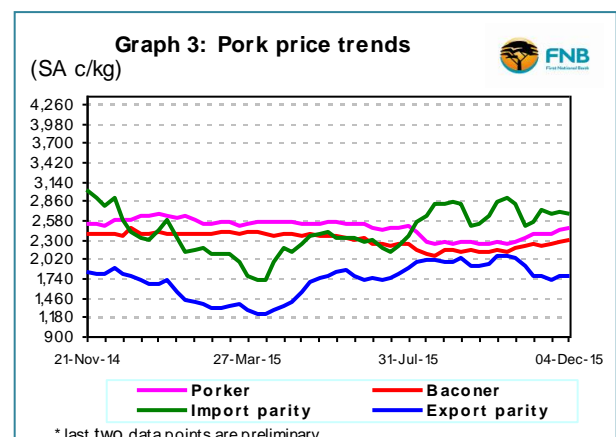
Source: RMMA



**Pork market trends (Graph 3)**

International:

- US pork prices weakened further under pressure due to softer demand and increased supplies. The weekly pork carcass cutout prices fell by 2.6% w/w and 21.9% y/y at US\$73.29/cwt.
- Rib prices extended recent losses, finishing down 0.5% w/w and 9.8% y/y at US\$139.77/cwt.
- Loin prices posted modest losses and closed down 2% w/w and 22.5% y/y at US\$73.29/cwt.
- Ham prices decreased by 1.3% w/w and 36.2% y/y at US\$58.81/cwt.
- The estimated US pig slaughter number for the week came in up 0.5% w/w and 7% y/y at 2.4m head. The estimated year-to-date pig slaughter reached 101.78m head, up 7.9% y/y.
- The USDA recently lowered its forecast of the US pork production for 2015 as slaughter pace came in slower than expected with lighter carcass weights during the fourth quarter. Production for 2015 was forecast at 11.04m tons, slightly down on the October 2015 number. The forecast for 2016 came in unchanged at 11.22m tons.
- In the latest Food and Agriculture Organization (FAO) bi-annual Food Outlook Report, world pork production is forecast to increase by 1.3% y/y to a total of 118.8m tons. This is lower than previously expected due to stagnation in China, the world's largest producer which accounts for almost 50% of total production. According to the report, the stagnation was due to an unfavourable feed-pork price ratio in the country and new environmental regulations that have caused farmers to reduce breeding sows. Production in Japan and the South Korea continues to be affected by last year's outbreaks of porcine endemic diarrhoea (PEDv). Production in Brazil is expected to rise on the back of reduced feed costs. Pork production in the EU is expected to maintain the expansion seen last year, based on both augmentation of the breeding sow herds and heavier slaughter weights.



Domestic:

- Pork and baconer prices were mostly firmer as supplies tightened.
- Weekly porker prices closed firmer at R23.83 per kg, but still down by 5.6% y/y.
- Baconer prices advanced marginally by 0.8% on last week and closed at R22.25 per kg, but still down by 6.2% y/y.
- Import parity prices eased lower due to a decline in international prices and the renewed gains in the Rand/US dollar exchange rate. Weekly import parity prices closed down 1.4% w/w and 11% y/y.
- Pork imports have declined sharply over the past few months with the weakening Rand being the major driver. Pork imports for September 2015 fell sharply by 32% m/m at 1,431 tons, but still 42% higher y/y. However, the cumulative year to September pork imports reached 24,660 tons, which is 90% higher than the same period last year.

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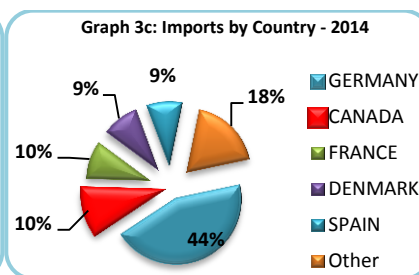
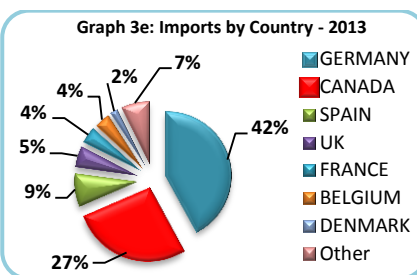
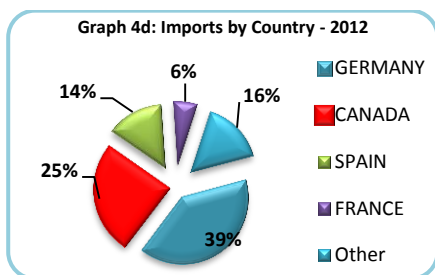
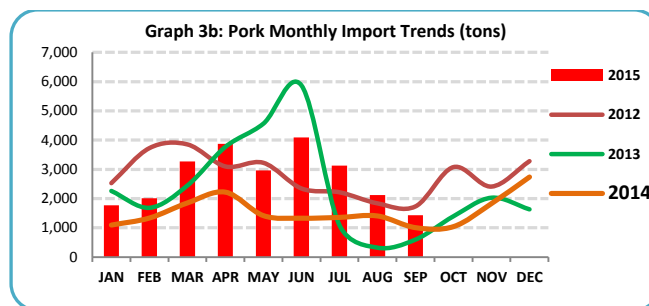
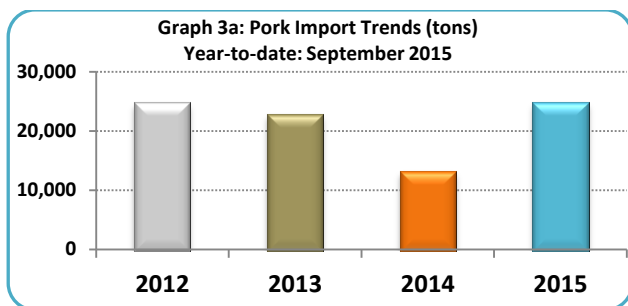
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**OUTLOOK**

For the short to medium term, prices are expected to trend slightly upwards due to the increased demand ahead of the festive season.



Source: SAPPO, SARS, Own Calculations

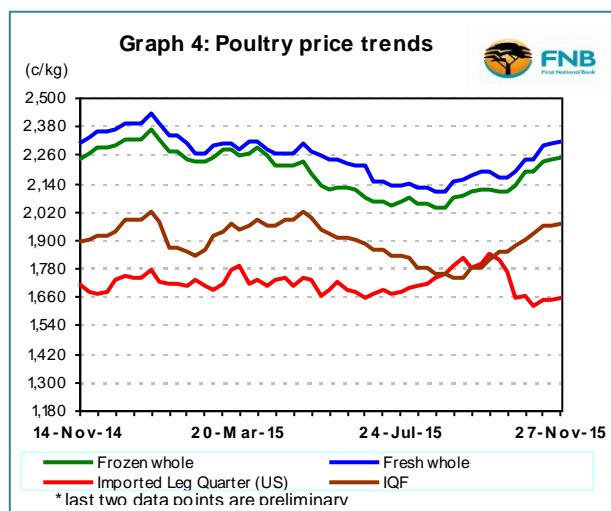
**Poultry market trends (Graph 4)**

International:

- US broiler prices were down across most categories on moderate to heavy supplies.
- Retail and food service demand was reportedly light to good with most interest focused on other items for the holiday.
- Whole bird prices trended sideways for the week at US113.50 cents/lb, which is marginally down by 0.5% compared to last year this time.
- Leg quarter prices extended losses and finished down 3.9% w/w and 30% y/y at US36.50 cents/lb.
- Breast cuts finished down 0.5% w/w and 10% y/y at US108.00 cents/lb.
- Wing prices weakened further by 1.3% w/w and 11.6% y/y to close at US148.50 cents/lb.
- Drumsticks prices bottomed out and increased by 11.2% w/w at US49.50 cents/lb, but still down by 11.6% y/y.
- USDA's WASDE report showed a marginal increase in the 2015 and 2016 broiler production forecast to 17.90m and 18.24m tons respectively. The 2015 increase is attributable to the higher than expected September production and the higher hatchery data points to an increase production into early 2016.
- Meanwhile, FAO projected a slower than expected growth in world poultry production in 2015 despite reduced feeding costs. World poultry production for 2015 is expected to increase by only 1.5% y/y to 112.1m tons. Citing industry challenges and concerns over avian influenza, production in China is projected to remain unchanged at 18.5m tons. Marginal increases were projected for Brazil, the EU, Russia, Mexico, India, Iran, and Indonesia. For the US, production was lowered to 20.6m tons due to the outbreaks of highly pathogenic avian influenza (HPAI). This is marginally higher than the USDA's latest projection of 20.41m tons.

Domestic:

- There were no changes for the week with prices trending sideways across the board.
- Individually Quick Frozen (IQF) cuts steadied at R19.55 per kg, but still up by 2.8% y/y.
- In the whole bird category, medium frozen prices were firm at R22.31 per kg, but still down by 1.3% y/y.
- Medium fresh whole bird prices steadied at R22.98 per kg, but still down by 1.5% y/y.



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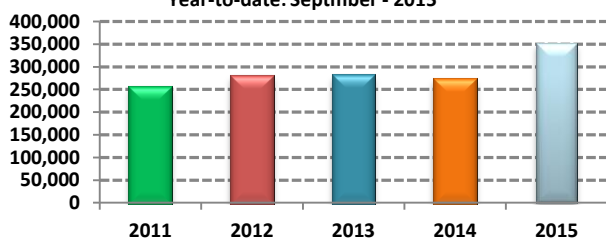
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- Import parity prices dropped slightly on the back of lower international prices and a stronger Rand/ US dollar exchange rate. Weekly import parity prices fell by 3.1% w/w but still down by 5.4% y/y.
- The recent clawback in product pricing following a sustained downtrend during mid-year is somewhat offset by elevated input costs with feed being the main culprit. Feed grain prices remain elevated and continue to exert downward pressure on producer margins. Uncertainty regarding the weather outlook for 2015/16 grain production season has intensive livestock production systems such as poultry, pork and feedlot worried given the knock-on effect of higher prices into feed costs.
- Meanwhile, the weaker Rand seem to have had little effect on curbing imports as year to date monthly figures remain way above year ago levels. The September 2015 poultry imports came in at 42,827 tons, up 3% m/m and 21% y/y. The cumulative year to September 2015 poultry imports reached 351,541 tons, which is 30% higher compared to the same period in 2014.
- Broiler meat accounted for 96% of the total imports, coming in at 41,173 tons which is up 4% m/m and 26% y/y. The cumulative year to date broiler imports reached 336,398 tons, which is 33% higher compared to the same period last year.

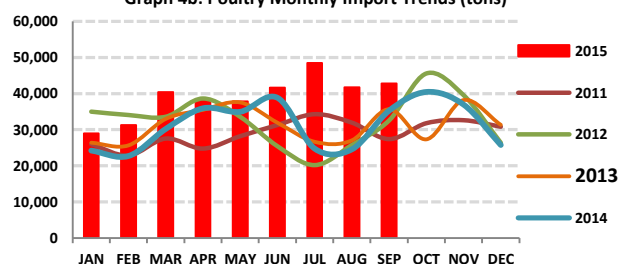
**OUTLOOK**

Nonetheless, the short term price outlook remains bullish due to the seasonal rebound in demand as the December festive draws nearer.

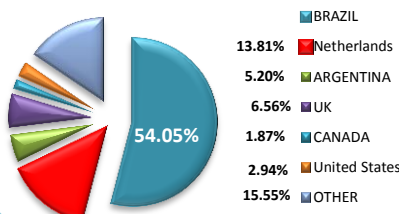
**Graph 4a: Poultry Import Trends**  
Year-to-date: September - 2015



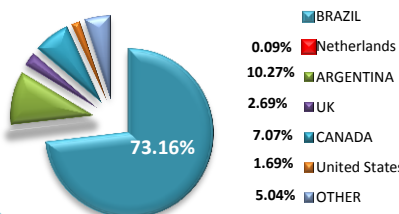
**Graph 4b: Poultry Monthly Import Trends (tons)**



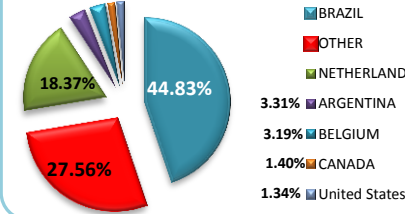
**Graph 4e: Imports by Country - 2012**



**Graph 4c: Imports by Country - 2013**



**Graph 4e: Imports by Country - 2014**



Source: SARS, Own Calculations; \*Excluding BNLS

Producer prices for selected livestock commodities 20 November 2015	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	34.10	52.95	23.83	22.98
Open market: Class C / Baconer / Frozen whole birds(R/kg)	28.68	40.24	21.66	22.31
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	35.32	53.50	22.25	19.55
Import parity price (R/kg)	32.53	33.13	26.76	15.91
Weaner Calves / Feeder Lambs (R/kg)	19.05	25.67		

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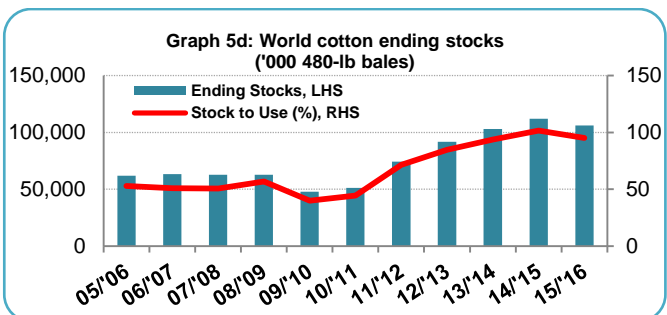
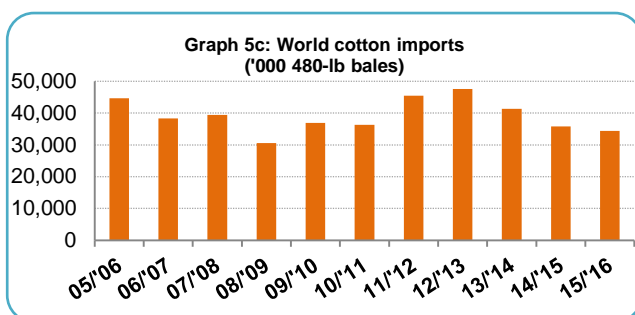
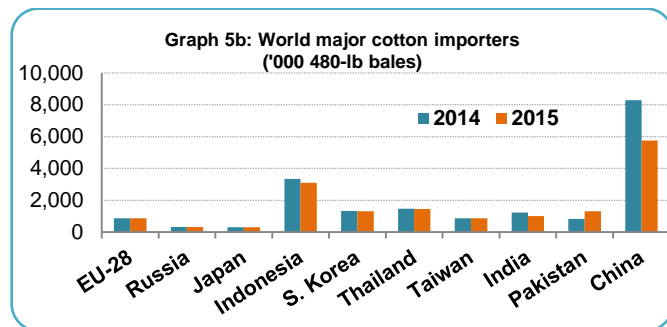
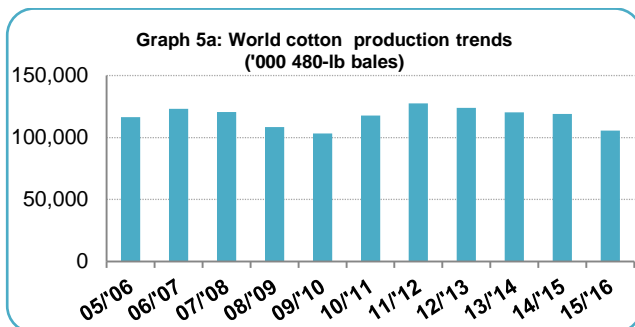
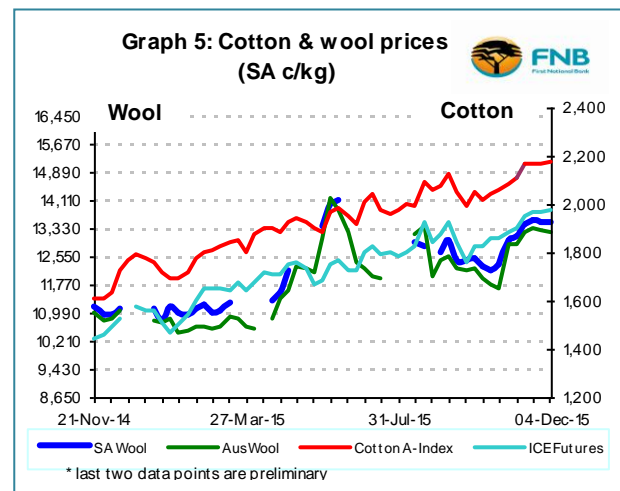
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**Wool and cotton market trends (Graph 5)**

International:

- Cotton prices moved sideways to firmer on slow harvest progress and improved export sales in the US.
- Harvest advanced 6% over the week, with progress rating coming in at 64% complete. This was 4-percentage points behind last year and 10-percentage points behind the 5-year average as untimely rains limited fieldwork in the previous weeks.
- Export sales came in at 194,400 bales, up 52% w/w and 74% above the four week average. Export shipments were however at a marketing year low of 53,800 bales, down 24% w/w and 41% compared to the four week average.
- Cotton prices settled the week at US69.29 cents/lb, virtually unchanged w/w and up 2%/y/y.
- In the futures market, prices closed firmer owing to the tighter USDA WASDE report. The Mar-15 contract closed at US62.83 US cents per lb up 1.4% w/w; and the May-16 contract closed at US63.68 cents/ lb up 2% w/w.
- Overall, US cotton crop was estimated at 13.28m tons, slightly down on last month's estimate and 19% lower y/y. Ending stocks were left unchanged from the October estimate however down 16% from the opening stock. This is on the back of lower production and moderation in exports due to the stronger US\$ and slow Chinese purchases. Domestic use is however stronger compared to last year at 3.7m bales.
- Due to lower than expected output in the US, India and other traditional import countries, world production is estimated at 105.6m tons, down 2% from last month's estimate and 11% y/y. High stocks amid a bleak economic outlook in developing markets are main drivers behind reduction in world cotton use. Overall domestic use is estimated at 111.6m bales, slightly down from the previous estimate and up 1% y/y. Imports are however raised slightly in response to low production in key markets.



Source: USDA, PSD; \*\*2015/16Fcast

- Wool market: Prices moved sideways on lack of supportive news and steady demand. The AWEX Eastern Market Indicator (EMI) was virtually unchanged w/w but almost 20% higher y/y AU\$12.49 per kg clean wool. Sales reached 92% of 40,382 bales offered.

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**Domestic:**

- Wool prices posted good gains on good demand and strong competition among buyers.
- The weekly Cape Wools Merino indicator was slightly up on last week at R135.81 per kg (clean), which is and 20% higher y/y. At level this level, the indicator was up 5% compared to the opening sale of the season and 6% up compared to the season to date average.
- Major wool buyers were Standard Wool SA with 3,682 bales (33.5%), G Modiano SA with 3,038 bales (25.7%), and Lempriere SA with 2,264 bales (20.6%).

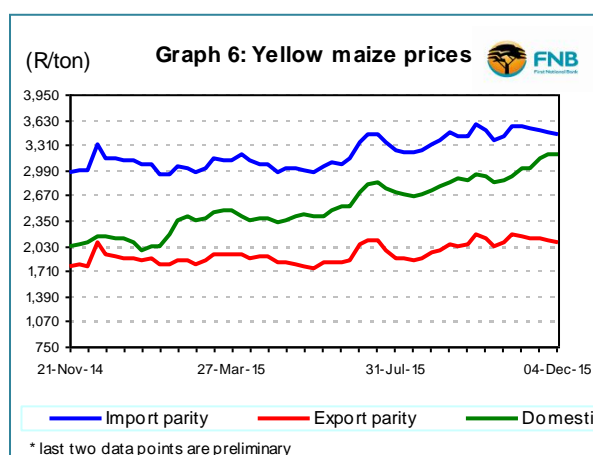
Fibre market prices 20 November 2015	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Mar-16 (AU\$/kg)	Australian futures May-16 (AU\$/kg)
Wool market indicator (R/kg)	125.27	135.81		
19µ long length wool (R/kg)	140.75	144.13	13.26	13.16
21µ long length wool (R/kg)	132.72	135.83	12.45	12.35
23µ long length wool (R/kg)	130.61	-	11.65	11.55
Fibre market prices 20 November 2015	SA derived Cotton (R/kg)	New York A-Index (US\$/kg)	Cotton Futures Mar-16 (US\$/kg)	Cotton Futures May-16 (US\$/kg)
Cotton Prices (R/kg)	19.64	1.52	1.38	1.40

Cotton Futures - InterContinental Exchange (ICE);

**Yellow maize market (Graph 6)**

**International:**

- US maize prices moved sideways as harvest progressed swiftly. At 96% complete, harvest progress was 8-percentage points ahead of last year and 2-percentage points ahead of the 5-year average.
- Concerns over the weather outlook for the season ahead with speculations that precipitation may be below average and therefore yields may come under pressure helped stabilise prices at current levels.
- In the recent USDA WASDE report, the US crop was revised higher by 2m tons to 346.8m tons on better than expected yields. Although this is 4% lower than last year's harvest, it is still at a record high.
- Domestic usage was however lowered to 301m tons on lower demand for ethanol production. This was however partly offset by good demand for feed usage at 134.6m tons.
- The strong US\$ index continues to limit the competitiveness of US maize on the international market with Brazilian exporters taking advantage of the gap. Consequently, US export demand was lowered to 45.7m tons, down 3% y/y.
- Overall world production is estimated to reach 974.9m tons, about 33m short of last year's billion mark. This is mainly attributable to declines in the USA and the EU. For the EU, production is estimated at 57.75m tons, down 24% y/y on unfavourable weather conditions in key producing areas. Production is also down in Mexico and South Africa. In contrast, China's maize output is estimated at a record 225m tons as farmers took advantage of government support programmes.
- The International Grains Council (GC) lowered its estimate of world production by 3m to 967m tons.



**Domestic:**

- Yellow maize continued to surge mainly supported by poor production prospects and higher import parity prices.
- Weekly yellow maize prices were up 4% w/w and 55% y/y at R3,144 per ton.
- Exports for the week were pegged at 4,543 tons, all destined for the neighbouring countries.
- Imports came in at 18,903 all sourced from Brazil, bringing the cumulative year to date volumes estimated at 468,559 tons.

**OUTLOOK**

On the international market, quality will be the main driver as harvest nears completion in the Northern Hemisphere. Domestically, weather plays a pivotal role with more rains desperately needed to commence with planting.

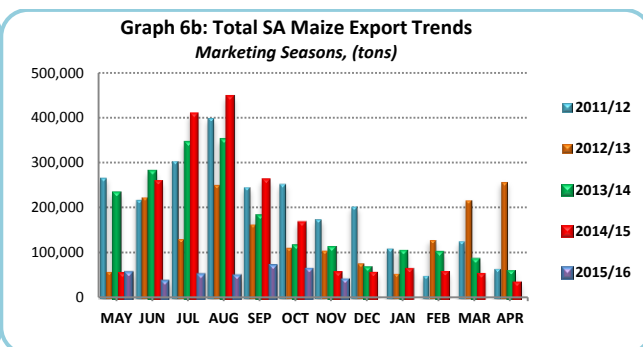
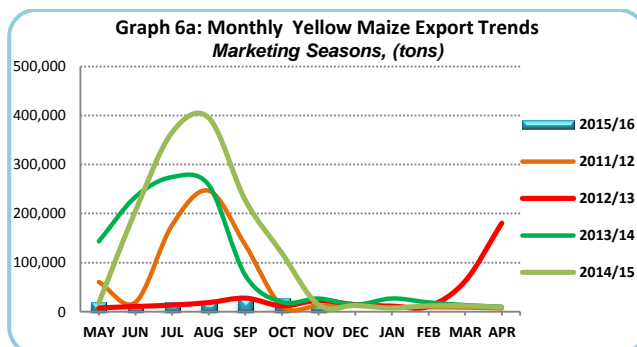
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Source: SAGIS,

Yellow Maize Futures 20 November 2015	Dec-15	Mar-16	May-16	Jul-16	Sep-16			
CBOT (\$/t)	146	148	150	151	154			
JSE (R/t)	3,135	2,955	2,905	2,934	-			
CHICAGO CORN (R/t)	2,065	-	2,177	-	-			
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
3,180	190	145	3,000	230	185	2,940	260	225
3,140	168	163	2,960	207	202	2,900	238	243
3,100	147	182	2,920	187	222	2,860	217	262

**White maize market trends (Graph 7)**

International:

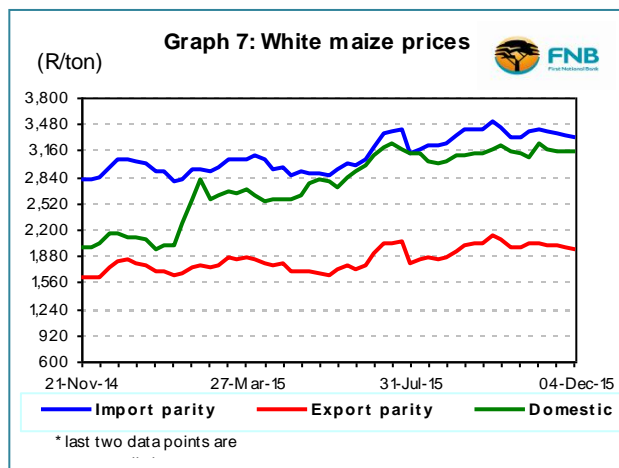
- White maize prices moved sideways with strong demand somewhat offset by harvest pressure.
- Weekly average white maize prices came in at US\$142 per ton virtually unchanged w/w and down 4% y/y.

Domestic:

- Prices softened as rains fell in some of the producing areas, easing concerns over the prolonged drought.
- White maize prices averaged R3,156 per ton, losing R5/t over the week but still up 59% y/y.
- Exports for the week were pegged at 8,986 tons, with the cumulative season to date reaching 225,792 tons, all destined to neighbouring countries.
- Imports for the week were estimated at 62 tons, bringing cumulative season to date imports is at 68,128.

**OUTLOOK**

On the international market, quality will be the main driver as harvest nears completion in the Northern Hemisphere. Domestically, weather plays a pivotal role with more rains desperately needed to commence with planting.



White Maize Futures 20 November 2015	Dec-15	Mar-16	May-16	Jul-16	Sep-16
JSE (R/t) WM <sub>1</sub>	3,267	3,172	3,127	3,138	-

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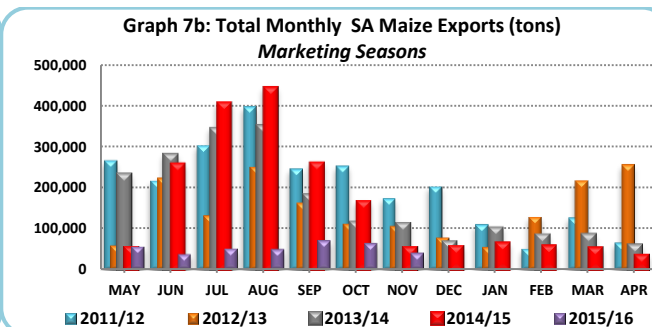
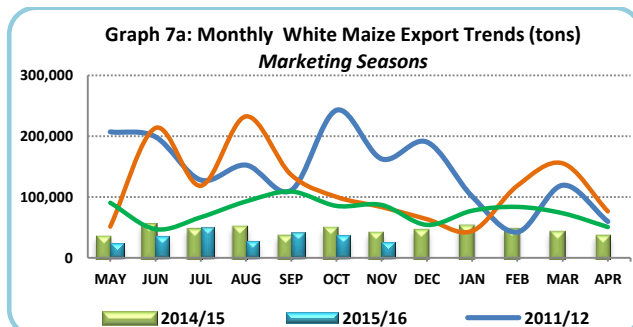
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Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Dec-15			Mar-16			May-16		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
3,300	295	262	3,220	282	234	3,160	339	306
3,260	273	280	3,180	260	252	3,120	317	324
3,220	252	299	3,140	239	271	3,080	295	342



Source: SAGIS;

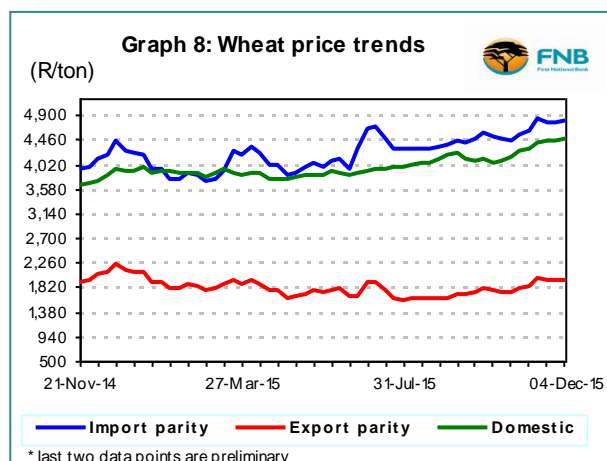
### Wheat market trends (Graph 8)

#### International:

- Wheat prices weakened on improved production conditions which bolstered fieldwork. The bullish world supply outlook added to the weaker tone.
- Planting progress for the US winter wheat was reported at 94% complete, slightly behind last year and 4-percentage points behind the 5-year average. Crop ratings were however 10% poorer compared to last year at 52% in the good to excellent category.
- Export sales came in stronger and above market expectations of between 200,000 tons to 400,000 tons at 721,900 tons. However, the strong US\$ index continue to limit export sales.
- According to the USDA WASDE report, global wheat output is estimated at a 3<sup>rd</sup> consecutive record high of 733m tons, 3% higher than the 2014/15 record.
- The firm Strategie France made an upward revision of France’s wheat exports to 26.8m tons, up 300,000 tons due to large domestic supplies.
- Meanwhile, the IGC is reportedly expecting slight decrease in overall world wheat plantings due to persistent dryness in the Black Sea region. In Ukraine, UkrAgroConsult lowered their 2016/17 crop estimate by 8% to 17.5m tons. The consultancy further rated the crop 30% in the poor or very poor conditions due to prolonged dryness. Wheat farmers have reportedly left 11% of the normal wheat production fields unplanted due to drought.
- Nonetheless, production in the EU is estimated at 157m tons, 11% above the 5-year average.
- Production in Russia is also expected to surge by 2% y/y at 60.5m tons, 23% above the 5-year average.
- Consumption is expected to remain strong reaching 715m tons, up 4% compared to the 5-year average, with notable increases in the EU and Thailand.

#### Domestic:

- Prices posted further gains on higher import parity prices and adverse weather conditions on the domestic front.
- Weekly wheat prices closed at R4,448 per ton, up 1.2% w/w and 22% y/y.
- Imports for the week came in at 65,256 tons bringing cumulative year to date import for the 2015/16 season to 485,230 tons.



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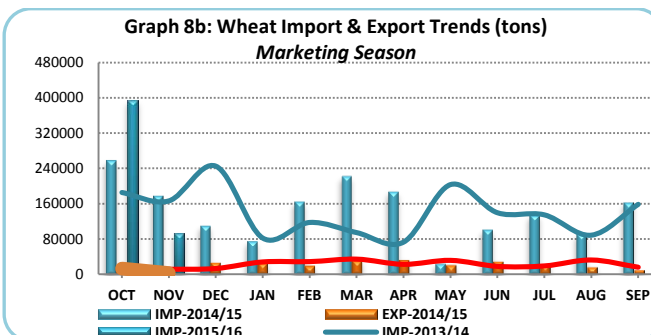
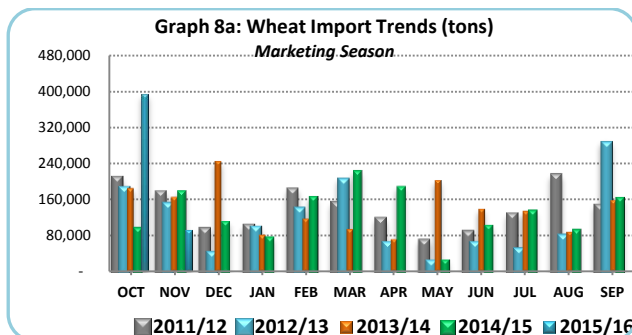
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**OUTLOOK**

It is expected that local prices will continue to track import parity in the medium to longer term as domestic supplies remain inadequate. The rand has pulled back from the earlier highs and together with lower international prices pose a short term downside risk for domestic prices.



Source: SAGIS;

Wheat Futures 20 November 2015	Dec-15	Mar-16	May-16	Jul-16	Sep-16
KCBT (\$/t)	167.92	172.84	176.74	180.56	185.70
JSE (R/t)	4,341	4,433	4,484	-	-

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
4,560	174	140	4,600	240	201	4,620	258	223
4,520	153	159	4,560	219	220	4,580	236	241
4,480	133	179	4,520	199	240	4,540	216	261

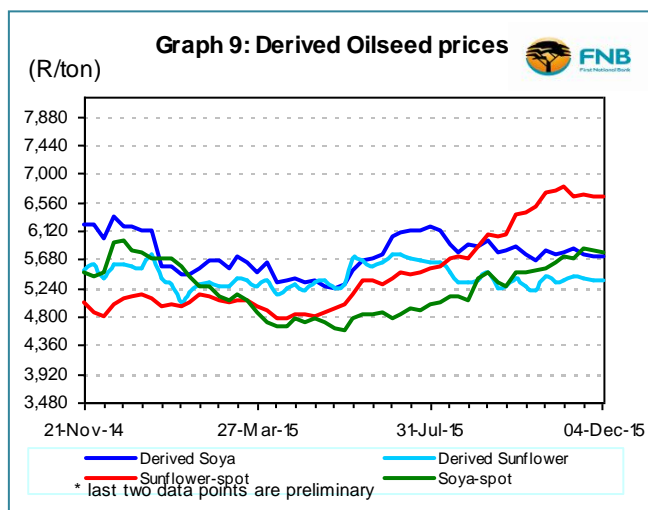
**Oilseed market trends (Graph 9)**

International:

- Prices moved sideways to lower on improved production conditions in Brazil, however the good demand from China helped limit losses.
- The USDA outlook report came in bullish with an expected record soybean crop of 108.35m tons for the US. This is on the back of higher yields than expected.
- Both domestic use and exports were consequently raised on increased availability. However, export sales remain constraint by the stronger US dollar.
- World soybean crop was revised higher to 321m tons, reflecting increases in the USA. Ending stocks are estimated at 82.9m tons, up 7% y/y. Consumption is expected to remain strong in Argentina and Brazil. Improved economic prospects in China motivated the 1.5m tons increase in expected import demand.
- In its November 2015 market report, the IGC lifted the world soybean production by 2m tons to 321m which is in line with last year's record peak. The trade outlook was raised to about 129m tons, with China accounting for the bulk of the increase. Brazil is expected to surpass the US as the largest exporter during the 2015/16 season.

Domestic:

- Prices ended firmer on continued concerns over the conditions for summer grain plantings.
- Soybean prices posted good gains averaging R5,841 per ton, up 3% w/w and 7% y/y.
- Sunflower prices moved sideways to firmer averaging R6,685 per ton, which is 33% higher compared to last year this time.



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**OUTLOOK**

Internationally, the short to medium term outlook for oilseed prices remains bearish due to the abundant global supplies. On the domestic market, prices will continue to trend at current levels due to relatively higher derived parity prices.

Oilseeds Futures 20 November 2015	Dec-15	Mar-16	May-16	Jul-16	Sep-16
CBOT Soybeans (US \$/t)	-	318.42	320.55	321.21	322.76
CBOT Soya oil (US c/lb)	28.18	28.43	28.66	28.93	29.02
CBOT Soya cake meal (US\$/t)	311.95	312.62	315.04	317.91	318.90
JSE Sunflower seed (R/t)	6,558	6,558	5,820	-	-
JSE Soybean seed (R/t)	5,840	5,808	5,640	-	-

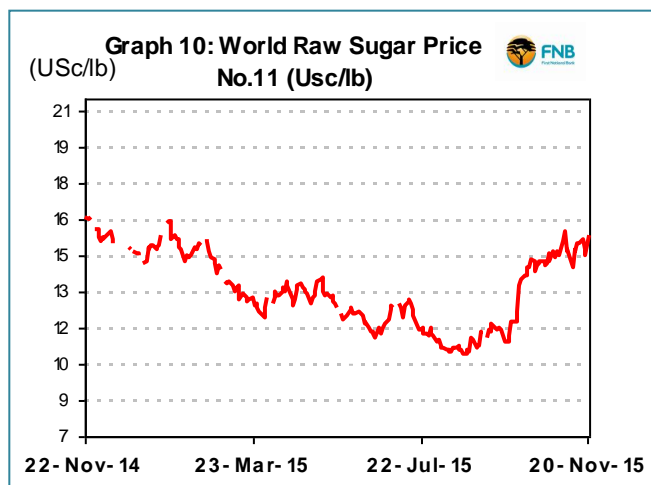
**Calculated Sunflower Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)**

Dec-15			Mar-16			May-16		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
6,600	248	206	5,860	409	369	5,960	455	420
6,560	227	225	5,820	387	387	5,920	433	438
6,520	206	244	5,780	366	406	5,880	412	457

**Sugar market trends (Graph 15)**

International:

- Sugar prices continued to post good gains on expectations of reduction in world sugar crop and thus lower ending stocks.
- USDA projected the 2015/16 US total sugar supply up 119,127 short tons raw value (STRV) from last month to 13.975 million in the latest WASDE report. Ending stocks for 2015/16 are projected at 1.855 million STRV, implying an ending stocks-to-use ratio of 15.3 percent. For 2014/15, complete-year Sweetener Market Data (SMD) indicates increased total production of 60,798 STRV; increased exports of 4,875; and increased deliveries of 12,219. Imports for 2014/15 are increased 25,423 STRV, based on USDA and U.S. Census Bureau estimates. Ending stocks for 2013/14 are estimated at 1.767 million STRV, and the 2013/14 stock-to-use ratio is 14.4 percent.
- Raw sugar prices averaged US\$14.94 cents/lb, up 2% w/w but down 6% y/y. Futures were stronger gaining 2% across the board with sugar for May-16 delivery closing at US\$14.93 cents/lb and the Jul-16 sugar contract at US\$14.64 cents/lb.



Domestic:

- The October 2015 RV price in respect of cane delivered in September 2015 was declared at R3,813.75 per ton, up R8.49 m/m. According to the South African Cane Growers Association, this was attributable to further reduction in domestic output currently estimated at 1.635m tons compared to the September estimate of 1.688m tons. The association indicated that although there was a reduction in sugar cane production, more of the reduction in gross sugar output was due to a lower sugar:RV ratio and lower RV% Cane.
- Export availability was therefore revised down by 44,158 tons to 36,850 tons, reflecting reductions in gross sugar output.

ICE Sugar Futures 20 November 2015	May-16	Jul-16	Oct-16	Mar-17	May-17
Sugar No.11 (US c/lb)	14.93	14.64	14.64	14.99	14.78
% Change w/w	1.8%	1.9%	1.8%	1.6%	1.4%

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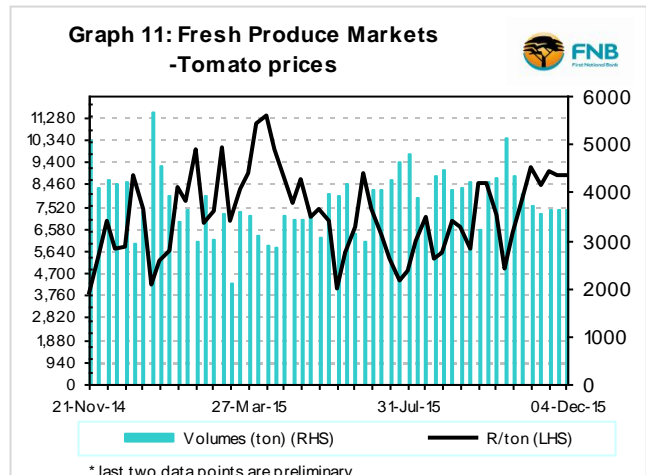
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**Vegetable Market Trends (Graphs 11 to 15)**

**Tomatoes**

Tomato prices reversed last week's losses on good buying support. Weekly tomato prices closed at R9,034 per ton, up by 8% w/w and sharply higher than last year this time. Volumes of sales were up by 3% w/w but down 28% y/y at 3,655 tons.

The short term price outlook remains bearish on increased volumes.

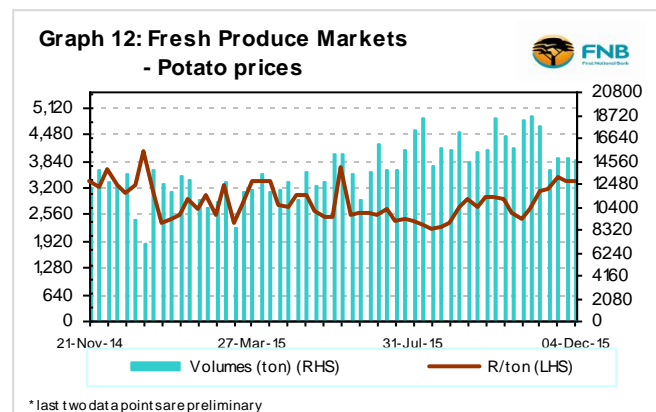


**Potatoes**

In the potato market, prices posted further gains on good buying support and moderation in supplies.

The average weekly price of potatoes reached R3,453 per ton, up 9% w/w and 3% y/y. Volumes of potatoes traded came in at 14,842 tons, up 8% w/w and 22% y/y.

Prices are however expected to come under pressure as volumes increase across markets.

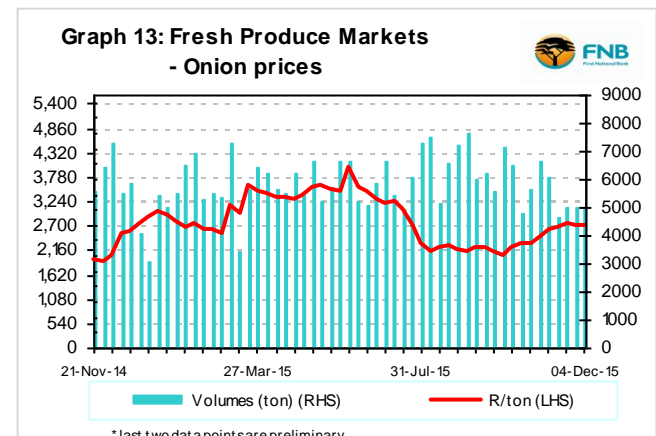


**Onions**

The onion market saw further gains due to increased demand across markets.

Weekly onion prices closed at R2,734 per ton, up 2% w/w and 40% y/y. Volumes of onions traded were pegged at 4,990 tons, up 7% w/w but still down 10% y/y.

Onion prices are however expected to trend sideways with limited upside potential due to volume pressure.



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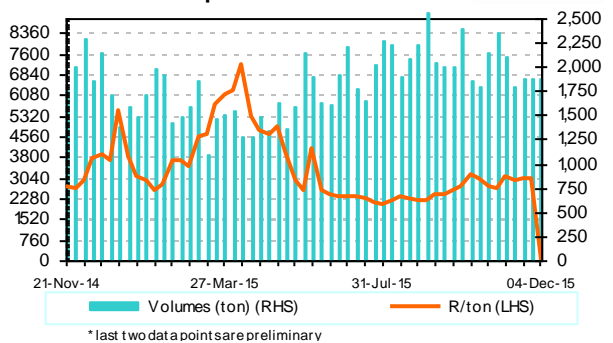
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**Carrots**

Carrot prices weakened slightly as a result of improved volume on most markets. Weekly carrot prices fell by 5% w/w but still 10% higher y/y at R2,967 per ton. Volumes of carrots traded reached 1,879 tons, up 4% w/w and 10% y/y.

It is however expected that carrot prices will rebound slightly in the short to medium term on good buying support.

**Graph 14: Fresh Produce Markets - Carrot prices**

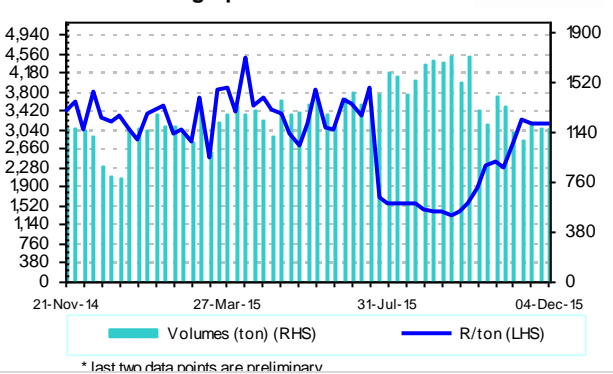


**Cabbages**

Cabbage prices posted slight losses after weeks of strong gains due to higher volumes across markets. Weekly cabbage prices closed at R3,153 per ton, down 2% w/w and 7% y/y. Volumes of cabbages traded reached 1,223 up 13% w/w and 4% y/y.

Prices are expected to trend sideways with limited upside potential due to higher volumes.

**Graph 15: Fresh Produce Markets - Cabbage prices**



<b>Vegetable prices: South Africa's Major Fresh Produce Markets. (Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)</b>						
Week ending 20 November 2015	Average Price (R/t)			Total Volume (t)		
		w/w	y/y		w/w	y/y
Tomato	9,034	8%	139%	3655	3%	-28%
Potato	3,453	9%	3%	14842	8%	21.8%
Onion	2,734	2%	40%	4990	7%	-10%
Carrot	2,967	-5%	10%	1879	4%	8%
Cabbage	3,153	-2%	-7%	1223	13%	4%

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

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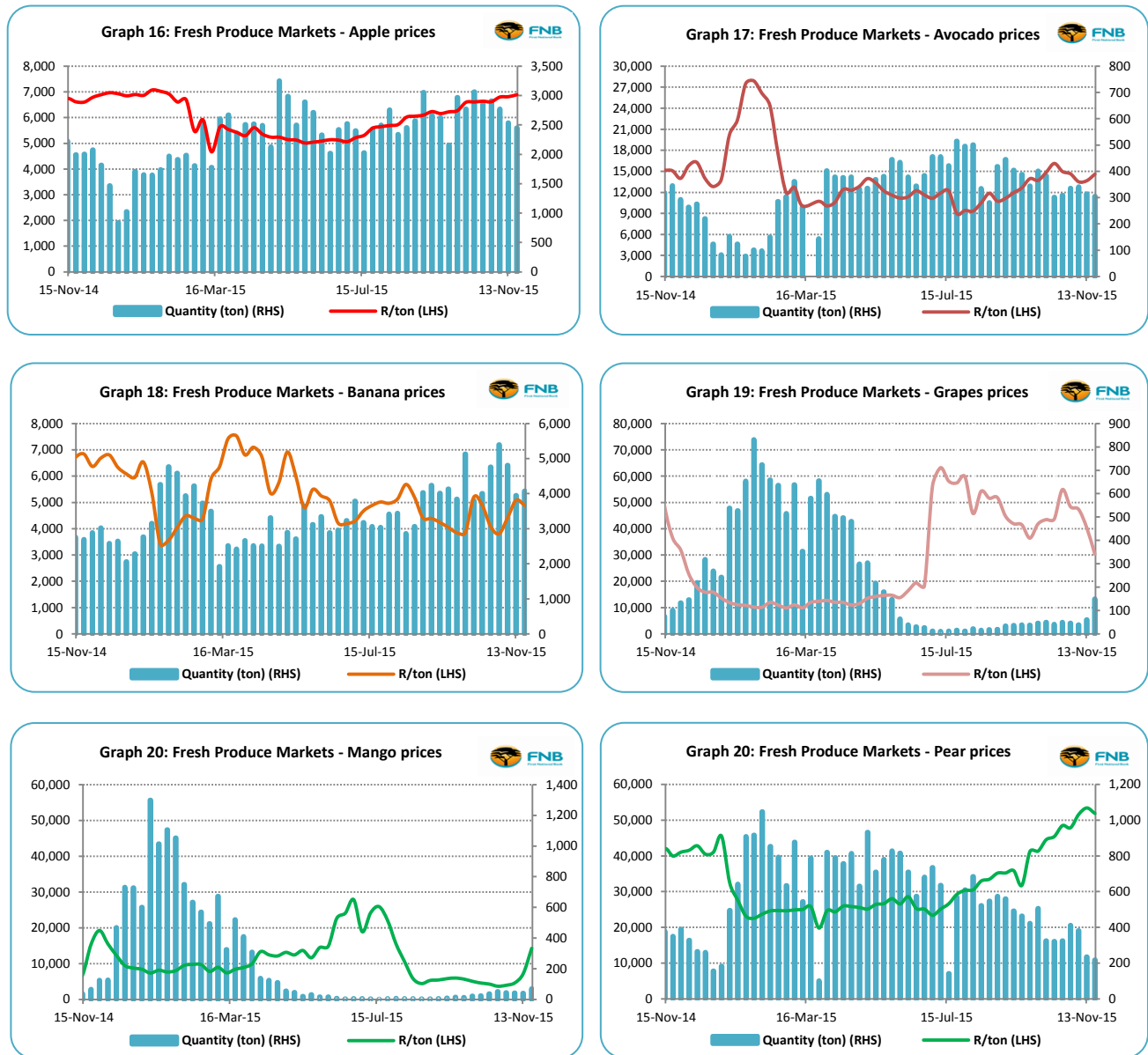
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The Fruit Market Trends – Major Fresh Produce Markets in SA (Graphs 16 to 20)



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

Week ending 20 November 2015	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Apples	6,891	1%	4%	2450	-3%	23%
Avocados	14,601	7%	-3%	304	-3%	-12%
Bananas	4,889	-4%	-29%	4073	3%	51%
Grapes	30,359	-25%	-17%	150	148%	49%
Pears	51,865	-3%	30%	217	-8%	-38%

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

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