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Agri-Weekly

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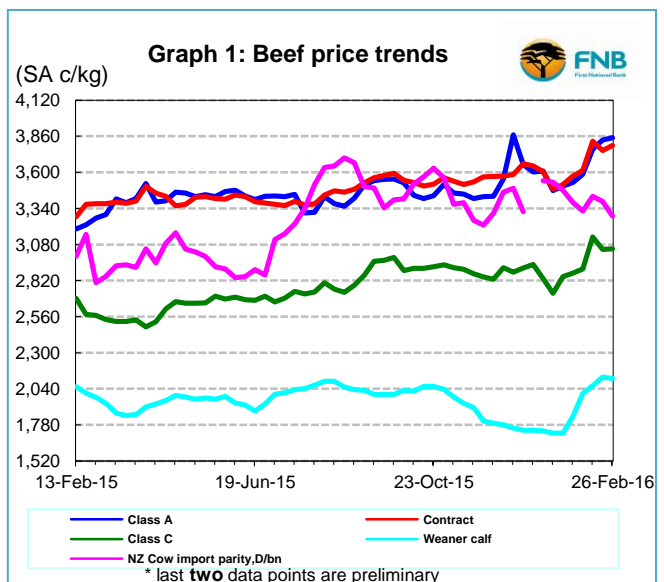
12 February 2015

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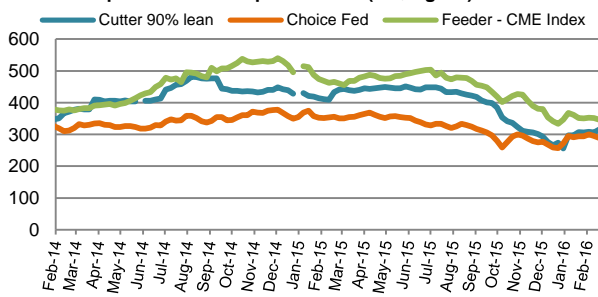
Beef market trends (Graph 1)

International:

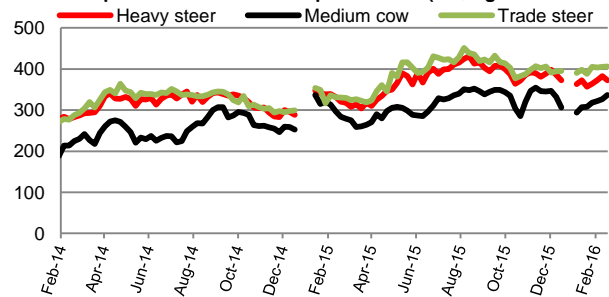
- In the US, activity on the import market was reportedly moderate with prices trending sharply higher on the back of tight supplies. Good domestic demand at retail and food service provided further support.
- US Boxed beef cutout values fell with Choice down 1.9% w/w and 8.8% y/y at \$217.63/cwt. Select cutout values closed down 1.4% w/w and 8.6% y/y at \$214.126/cwt.
- In the cattle market, the CME Feeder Cattle Index continued to weaken, falling by 1.3% w/w and 25.4% y/y.
- Weekly US cattle slaughter dropped to 544,000 head, up 1.9% w/w and 0.7% y/y. Year to date estimated cattle slaughter was however still down on last year by 1.9% at 3.4m head. The total estimated beef production was pegged at 1.27m tons.
- The United States Department of Agriculture (USDA) lowered its estimate of the US beef production for both 2015 and 2016 in its February 2016 World Agriculture Supply and Demand Estimate (WASDE) report. US production came in at 10.69m and 11.09m tons for 2015 and 2016 respectively. The export estimate came in almost unchanged from the January estimate at 1m and 1.1m for 2015 and 2016 respectively.
- In Australia, cattle prices extended recent gains with the Eastern Young Cattle Indicator (EYCI) closing up 1% w/w 32% y/y at AU\$5.95/kg cwt.
- Meat and Livestock Australia (MLA) projected a 16% y/y decline in cattle slaughter as supplies fall to the lowest level in more than twenty years. The national herd is expected to fall to 26.2m and 25.9m head by the end of June 2016 and 2017 respectively. While average carcass weights are projected to increase by 3% and 1% y/y respectively in 2016 and 2017, total beef and veal production for 2016 will drop by 13% y/y which will see exports contracting by 18% y/y.



Graph 1a: US Cattle price trends (US\$/kg lwt)



Graph 1b: Australian cattle price trends (US\$/kg lwt)



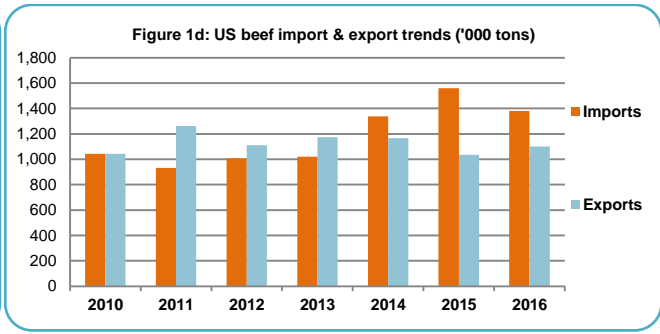
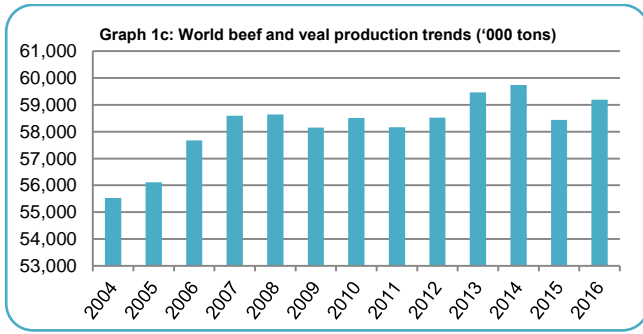
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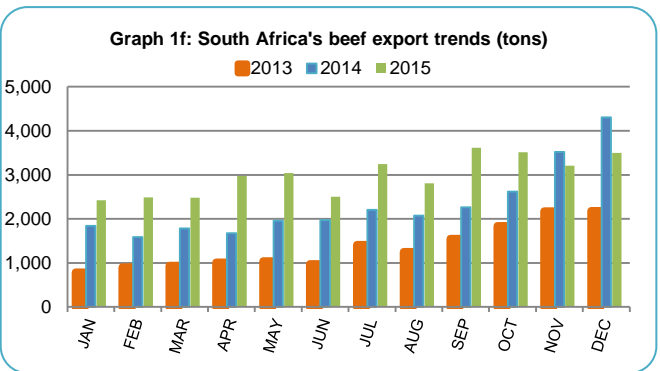
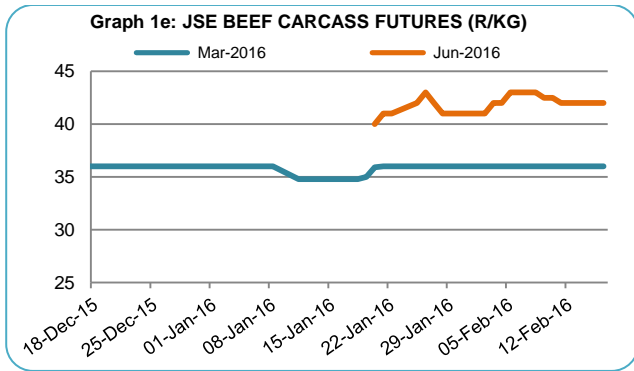
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Source: USDA, PSD

Domestic:

- The upward trend in prices continues as supplies tightened due to improved production conditions as a result of recent rains. The marketing of cattle has slowed down as producers hold on to their stock for a bit longer.
- Weekly Class A beef rose by 5% w/w and 18% y/y at R37.67 per kg.
- Contract Class A beef prices gained 5.8% w/w and 17% y/y to close at R38.23 per kg.
- Class C beef prices increased by 8% w/w and 16.5% y/y at R31.34 per kg.
- In the weaner market, prices extended recent gains on the back of tight supplies as a result of the improved production conditions. Weaner calf prices jumped 5% w/w and 2.5% y/y to close at R21.07 per kg live weight.
- Meanwhile, beef futures maintained a firmer trend with the June delivery contract already trending above R40/kg. The strength is underpinned by a tightening cattle supply outlook due to the devastating drought.
- Exports have increased considerably over the past two years and helped ease the supply pressure from the massive culling in the past few months.

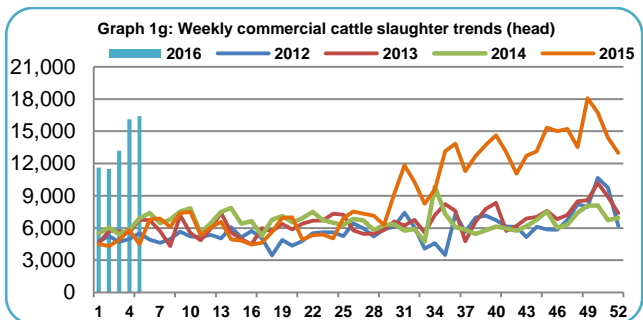


Source: JSE, TradeMap

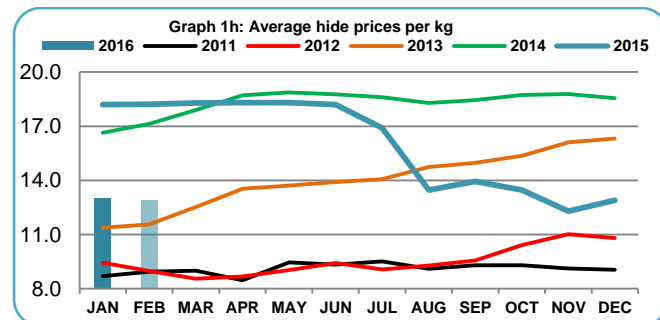
OUTLOOK

Internationally, prices are expected to trend sideways with limited upside potential due to weak global economic prospects. Lower international feed grain prices will continue to be beneficial for the livestock producers. The contraction of the Australian herd and consequently exports will boost the demand from other competitors such as Brazil and the US where production is on the rebound.

Domestically, the short to medium term price outlook remains bullish due to the drought induced supply tightness and the seasonal increase in demand ahead of the Easter period.



Source: RMMA; Hides: the FEB 2016 figure is preliminary



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Sheep market trends (Graph 2)

International:

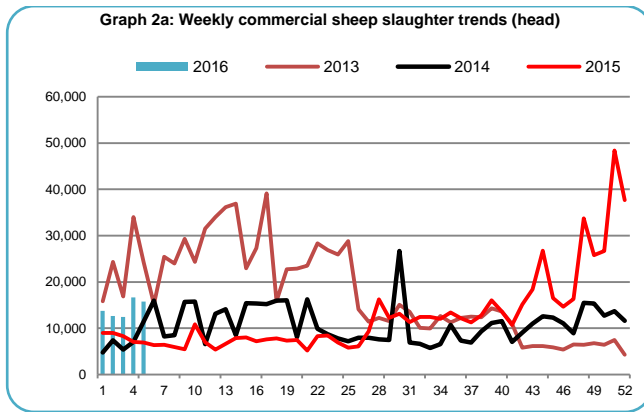
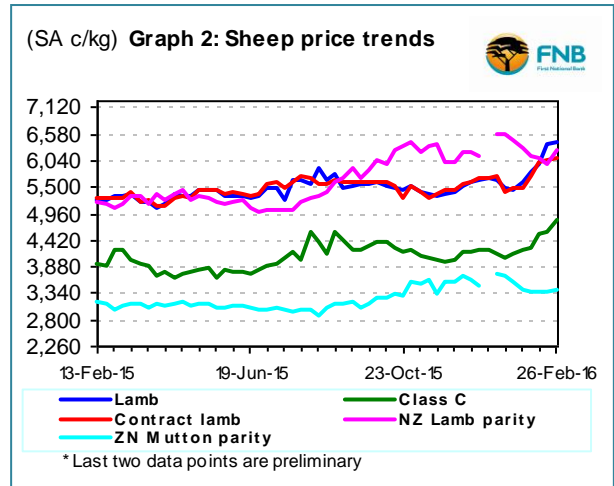
- In Australia, sheep prices were down across the board with the National Trades Lamb falling by 2.1% w/w at AU\$5.33/kg cwt. The mutton indicator was down by 1% w/w at AU\$3.02/kg cwt.
- In New Zealand (NZ), the lamb market maintained a softer trend with the 17.5kg lamb falling to NZ\$81/head, which is 5% lower y/y. The mutton market also weakened, finishing the week at NZ\$46.10/head, which is down by 9% y/y.
- On the export front, demand is reportedly subdued as procurement ahead of the Easter period has been concluded. Demand from China has reportedly slowed down due to the New Year holidays, while demand in the Middle East is under pressure due to lower oil prices which is the major revenue earner for the region.
- In the US, the carcass cutout prices were a bit softer for the week at US\$322.47/cwt. The weekly sheep slaughter number came in unchanged at 40,000 head, but up 11.1% y/y. The cumulative year to date sheep slaughter reached 224,000 head, which is almost unchanged y/y.
- US lamb production for the year to date was unchanged compared to the same period last year at 7,200 tons.

Domestic:

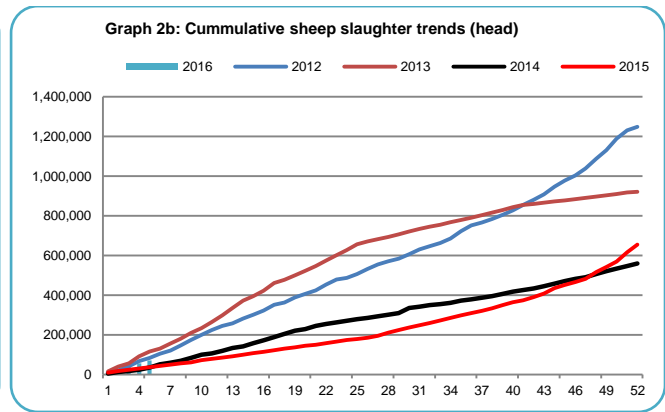
- Lamb and mutton markets posted strong gains on limited supplies and improved uptake across markets.
- Weekly Class A lamb prices rose by 3% w/w and 14% y/y at R59.55 per kg.
- Class A contract lamb prices gained 5% w/w and 14% y/y at R60.11 per kg.
- Class C increased by 7% w/w and 16% y/y at R45.50 per kg.
- In the feeder lamb market, prices continued to trend higher on the back tight supplies and better carcass prices. Weekly feeder lamb prices increased by 6% w/w and 24% y/y, closing at R28.83 per kg live weight.

OUTLOOK

The upward trend will continue in the short to medium term on supply shortages and increased seasonal demand heading into the Easter period.



Source: RMMA

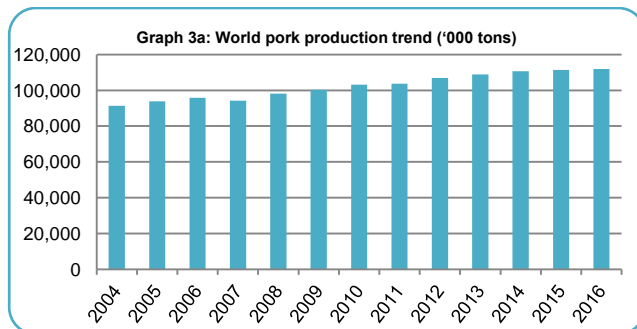
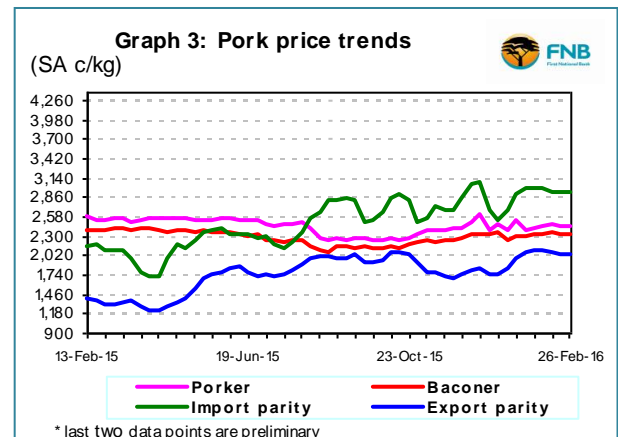


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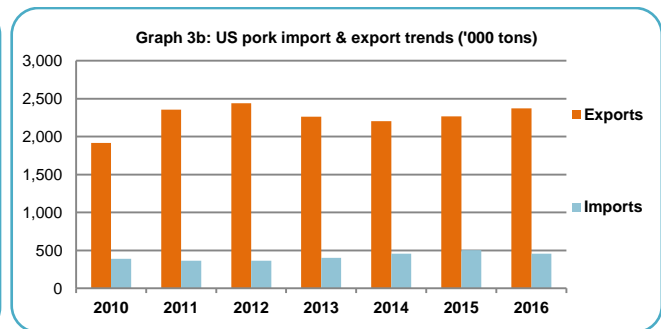
Pork market trends (Graph 3)

International:

- US pork prices reversed gains and finished marginally down by 0.9% w/w but still 5.4% higher y/y at US\$76.56/cwt.
- Loin prices fell by 1.8% w/w and 3.5% y/y at US\$80.86/cwt.
- Rib prices reversed recent gains and finished down 2.5% y/y at US\$140.81/cwt.
- Ham prices also softened, and finished down 1.6% w/w at US\$57.07/cwt but almost unchanged.
- The CME Lean Hog Index was estimated around \$65.29/cwt, up 2% from last week.
- The USDA estimated US pig slaughter number came in at 2.28m head, up 4.8% w/w and 2.5% y/y. The estimated year-to-date pig slaughter reached 14.13m head, which is marginally down by 0.4% y/y. The estimated total pork production for the year to date reached 1.36m tons.
- USDA’s WASDE report showed no change in production estimates for both 2015 and 2016 compared to last month, but there was a modest increase on a year-on-year basis. The 2015 US pork production estimate came in at 11.03m tons, up 7.2% y/y. For 2016, production was projected to grow by 9.6% y/y at 11.27m tons on the back of higher carcass weights.



Source: USDA,

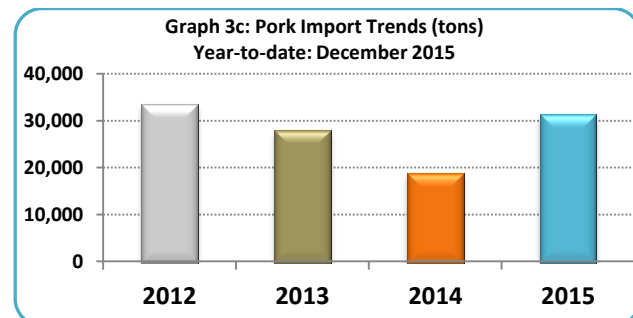


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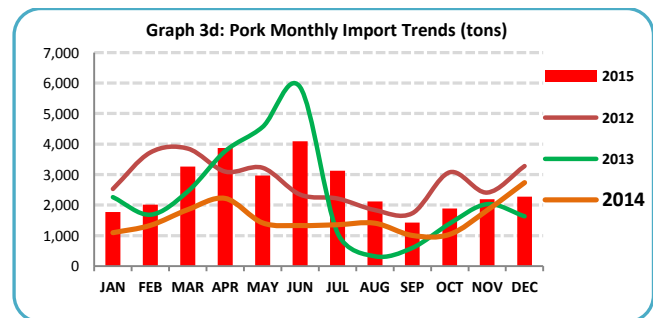
- Prices ended mixed with baconers closing marginally higher at R23.1 per kg, but still down by 2.4% y/y.
- Porkers saw marginal losses on slow demand. Weekly porker prices closed at R24.06 per kg, down 0.7% w/w but almost unchanged y/y.
- Import parity prices continued to weaken due to lower international prices and gains in the Rand/ US dollar exchange rate. Weekly import parity prices were down 1.7% w/w but still 37% higher y/y.
- Meanwhile, there is not respite on the feeding side as maize prices remain elevated thus placing further pressure on producer margins. This will force producers to adopt more efficient measures in their operations or scale down on production.

OUTLOOK

The firmer trend will continue in the short to medium term on spill over gains from the red meat market. Margins are however expected to remain under pressure due to the relatively higher cost of feeding. Meanwhile, the weaker Rand so far has not helped in curbing pork imports with the 2015 figure sharply higher on the 2014 levels.



Source: SAPPO, SARS, Own Calculations

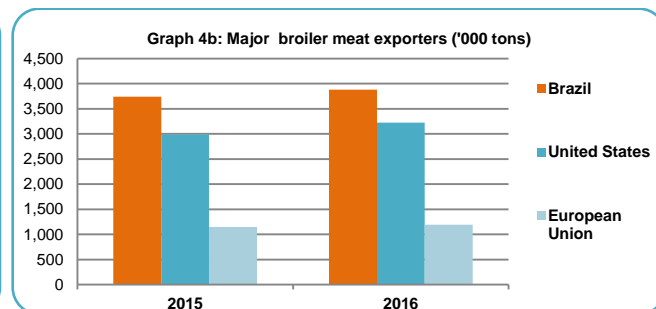
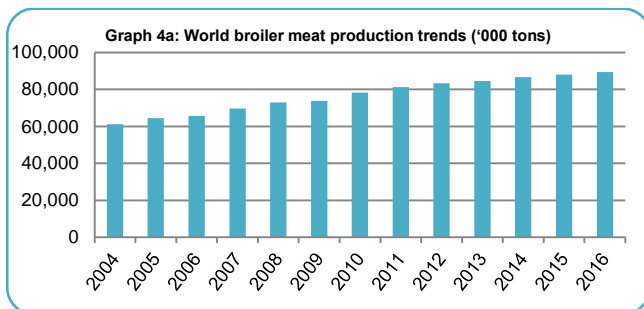
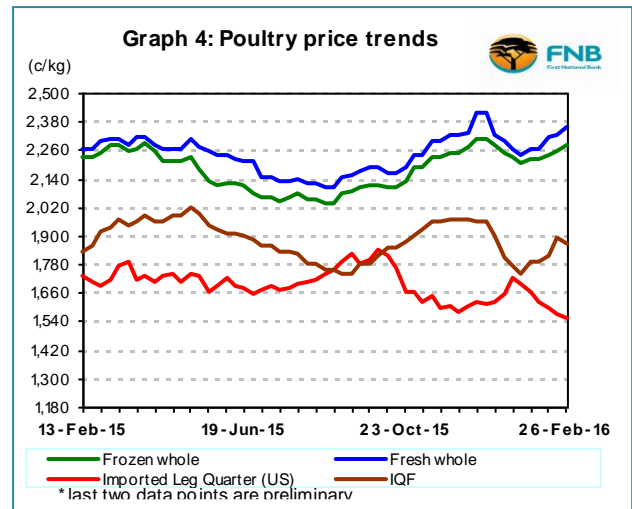


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Poultry market trends (Graph 4)

International:

- Prices ended mixed in the US broiler complex with whole birds continuing to soften. Weekly whole bird prices were marginally down and closed at US112.10 cents/lb, which is 1.4% lower y/y.
- Broiler cuts: Prices were mostly steady with the exception of the leg quarters which extended recent losses to finish the week at US33.50 cents/lb, down 1.5% w/w and 34% y/y.
- Drumsticks prices fell sharply to close at US39.50 cents/lb, down 9.2% w/w and 33% y/y.
- Breast cuts increased by 1.5% w/w but still down by 19.1% y/y at US101.50 cents/lb.
- Wings prices gained 1.5% w/w but almost unchanged y/y at US170.50 cents/lb.
- USDA slaughter numbers showed a 3.8% w/w drop in actual young chickens slaughtered. The actual ready-to-cook (RTC) pounds produced fell by 2.5% w/w but still 3.8% higher y/y.
- In the latest World Agriculture Supply and Demand Estimate report, USDA lowered its broiler export forecast as South Korea reinstated its ban on imports of uncooked US poultry following the discovery of the Highly Pathogenic Avian Influenza (HPAI) virus in Indiana in mid-January 2016. The production estimate for 2015 was lowered while the 2016 figure was raised.



Source: USDA, PSD

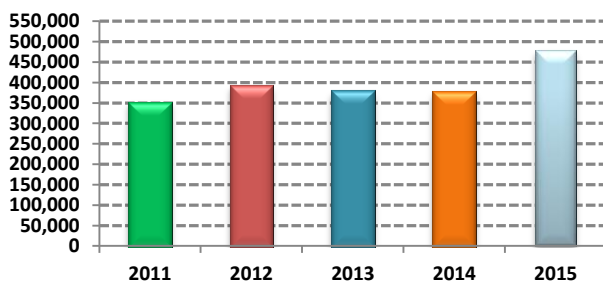
Domestic:

- The poultry market saw modest gains across all categories.
- Individually Quick Frozen (IQF) increased by 1.6% w/w but still marginally down on last year at R18.14/KG.
- In the whole bird category, medium frozen whole birds advanced by 1% w/w and 0.6% y/y at R22.40/KG.
- Medium fresh whole bird prices closed at R22.64 per kg, unchanged w/w but still down 1.9% y/y.
- Import parity prices continued to weaken mainly due to further gains in the Rand/ US dollar exchange rate and lower international prices. Weekly import parity prices fell by 1.4% w/w and 7.8% y/y.

OUTLOOK

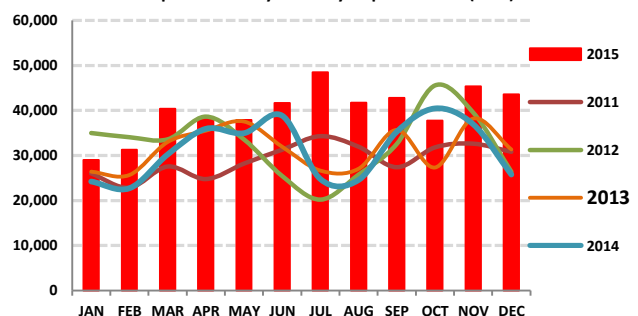
As with other intensive livestock production systems, the poultry industry is facing huge margin pressure as a result of record high maize prices. At consumer level, the financial health outlook has deteriorated in the wake of rising inflation and the likelihood of further interest rate hikes.

Graph 4c: Poultry Import Trends
Year-to-date: December- 2015



Source: SARS, Own Calculations; *Excluding BNLS

Graph 4d: Poultry Monthly Import Trends (tons)



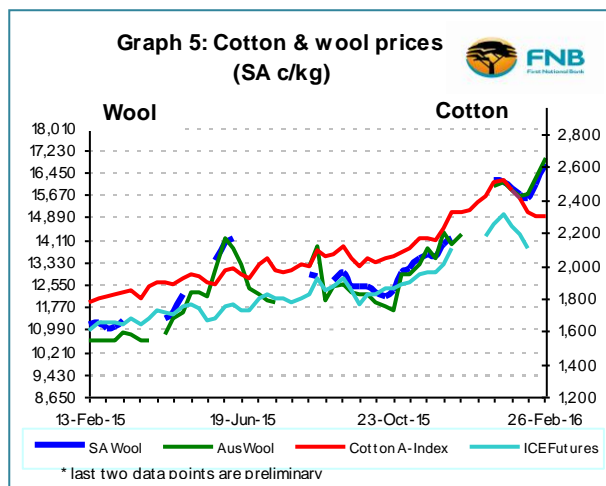
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Producer prices for selected livestock commodities 12 February 2016	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	37.67	59.55	24.06	23.12
Open market: Class C / Baconer / Frozen whole birds(R/kg)	31.34	45.50	23.05	22.40
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	38.23	60.11	23.18	18.14
Import parity price (R/kg)	34.26	33.77	29.33	15.95
Weaner Calves / Feeder Lambs (R/kg)	20.62	28.83		

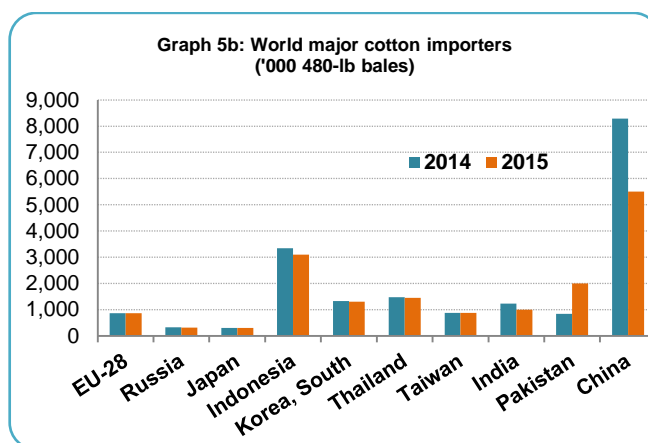
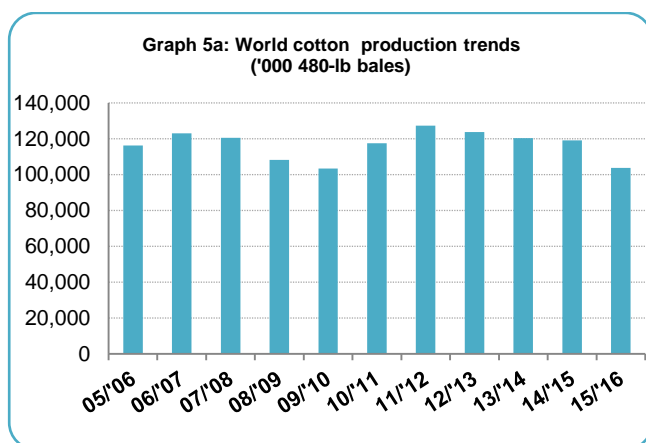
Wool and cotton market trends (Graph 5)

International:

- The cotton A index ended with moderate losses on a weak export market sparked by a bearish global equity market.
- The USDA's WASDE came in tight on the export side due to overall weaknesses in China. US exports were lowered to 9.5m bales, down by 500,000 bales from the previous estimate and 16% y/y. Ending stocks were consequently revised higher to 3.6m tons, which is still lower, compared to last year.
- Forecast price range was however increased on the lower end, indicating recent gains on the market.
- Overall, world cotton output was lowered to 101.38m tons, down 14% y/y. Reflecting downward revisions in major exporting countries. Consumption was lowered by 1.3m bales to 483.68m bales. Ending stocks are expected to reach 104.08, slightly higher than the previous estimate and down 7% y/y.
- Meanwhile, Turkey is in a process of finalising anti-dumping duties on US cotton. A final decision is expected sometime after Feb. 24.2016.
- US cotton farmers are reportedly intending to expand plantings by 7% y/y to estimated 9.2m acres.
- Cotton prices were down 3% w/w and 4% y/y, closing at US66.26 cents/lb.
- In the futures markets, prices weakened further across the board with the May contract closing down 3% over the week at US58.64 cents/lb, while the Jul-16 contract dropped 4% w/w and closed at US59.07 cents/lb.

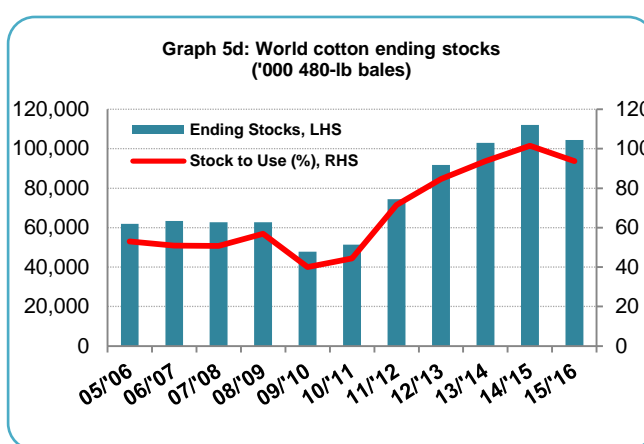
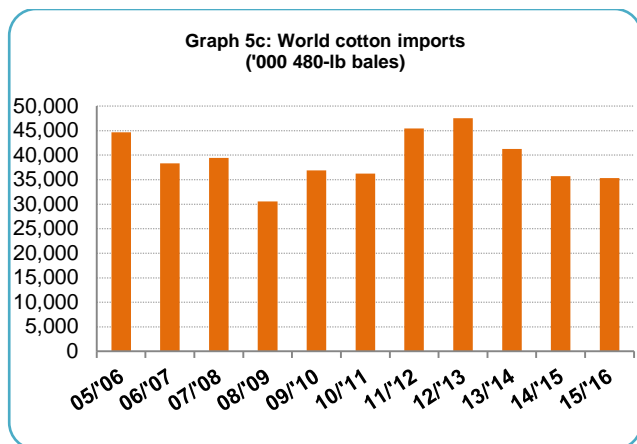


ICE Cotton Futures 12 February 2016	Jul-16	Oct-16	Mar-17	May-16	Jul-17
Cotton (US c/lb)	59.07	58.82	58.93	59.82	60.49
% Change w/w	-3.6%	-3.6%	-4.0%	-4.0%	-3.6%



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

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Source: USDA, PSD: **2015/16Fcast.

- Wool market: Prices edged higher on good buying support as the Au\$ weakened against the US\$. Offerings were also smaller than usual, boosting prices. The weekly AWEX Eastern Market Indicator (EMI) gained 0.7% over the week to settle at AU\$12.84 per kg clean wool. Sales reached 93% of 37,844 bales offered.

Domestic:

- The Cape Wools Merino indicator posted further losses on slight strengthening of the Rand despite strong demand. The indicator lost 0.9% w/w but remained 40% higher on last year at R155.40 per kg (clean). At this level, the indicator was 20% higher compared to the opening sale of the season and 14% compared to the season to date average.
- Major wool buyers were Lempriere SA 2,256 bales (35.1%), Standard Wool SA with 1,938 bales (30.2%), G Modiano SA with 763 bales (12%), and Stucken & Co with 671 bales (10.4%).

Fibre market prices 12 February 2016	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Jul-16 (AU\$/kg)	Australian futures Sep-16 (AU\$/kg)
Wool market indicator (R/kg)	155.40	146.64		
19µ long length wool (R/kg)	171.85	165.54	13.47	13.37
21µ long length wool (R/kg)	-	159.66	12.95	12.85
23µ long length wool (R/kg)	-	156.46	12.15	12.05
Fibre market prices 12 February 2016	SA derived Cotton (R/kg)	New York A-Index (US\$/kg)	Cotton Futures May-16 (US\$/kg)	Cotton Futures Jul-16 (US\$/kg)
Cotton Prices (R/kg)	23.27	1.46	1.30	1.29

Cotton Futures - InterContinental Exchange (ICE);

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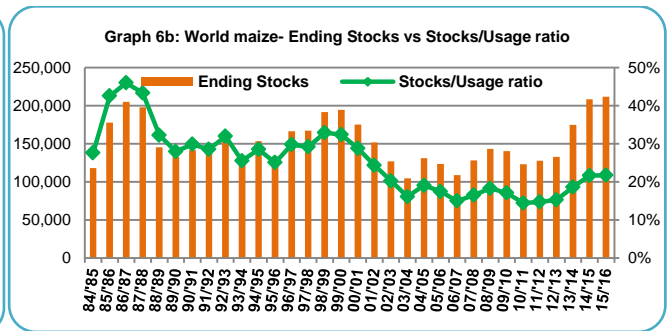
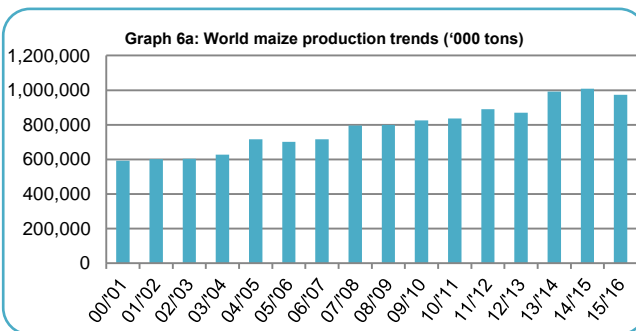
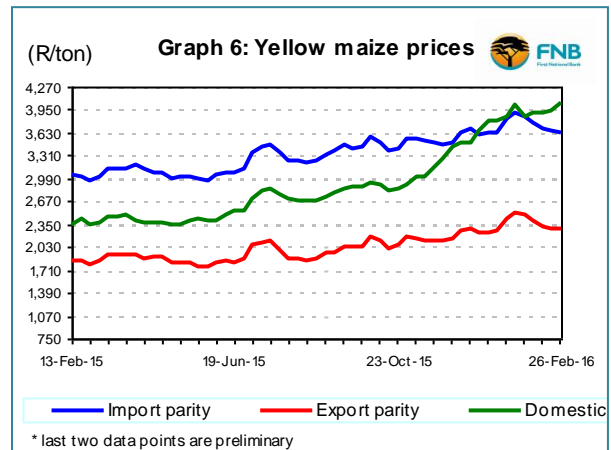
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Yellow maize market (Graph 6)

International:

- US prices trended lower on the back of a bullish USDA report and weak export sales.
- US export sales were lowered on the back of a large competitive crop for South America, largely supported by weaker currencies. Production in Brazil was revised higher to 84m tons up by 1.5m tons from the previous estimate. Production in Argentina was also revised higher.
- Nonetheless, grain movement in Brazil is reportedly at a slower pace than anticipated due to the limited capacity at ports.
- Overall, world maize crop is estimated at 970.1m tons, down 4% y/y on poor production conditions in Southern Africa.
- Consumption was raised higher compared to the previous estimate on strong paced ethanol production during January. Global consumption is expected to reach 967.5m tons, however slightly down on last year due to the relatively smaller crop.



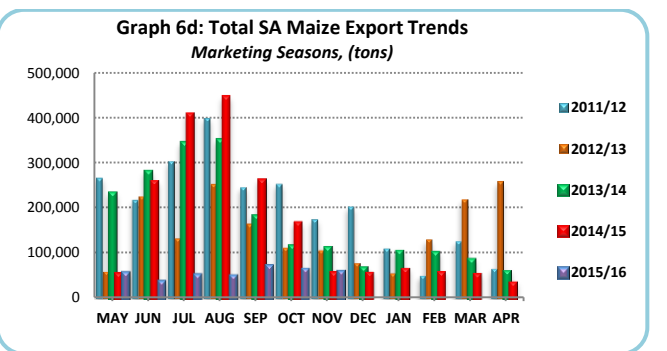
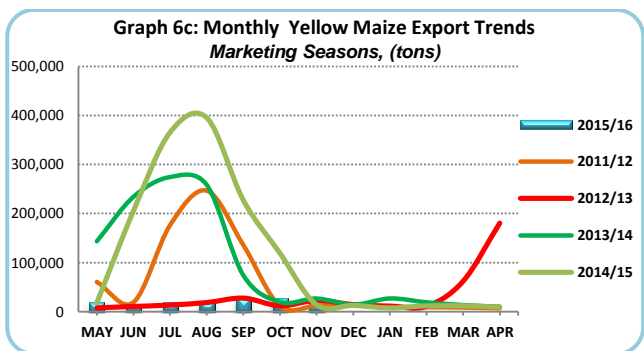
Source: USDA, PSD

Domestic:

- Prices moved sideways to weaker as markets responded to upward revisions of the 2015 crop and the Rand strengthened against the US dollar.
- The crop estimate committee's (CEC) final estimate for the 2015 crop came in at 9.69m tons, slightly higher than market expectations but the lowest in 9 years. The new crop is also expected to hit record lows there by raising import demand.
- Weekly yellow maize prices averaged R3,897 per ton, slightly down w/w but still 67% higher y/y.
- Exports for the week ended 12th February 2016 were pegged at 5,319 tons, all destined for the neighbouring countries.
- Imports came in at 50,616 tons, with almost 80% sourced from Brazil and the rest from Argentina. Cumulative year to date figure is at 868,242 tons.

OUTLOOK

Prices are expected to move sideways to firmer with weather being a major driver as the growing season tails off.



Source: SAGIS,

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Yellow Maize Futures 12 February 2016	Mar-16	May-16	Jul-16	Sep-16	Dec-16
CBOT (\$/t)	141.29	143.18	145.15	147.12	150.35
JSE (R/t)	3,777	3,442	3,466	3,466	3,492
CHICAGO CORN (R/t)	2,251	2,319	2,366	-	-

Calculated Yellow Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Mar-16			May-16			Jul-16		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
3,520	377	343	3,480	351	313	3,500	390	356
3,480	355	361	3,440	329	331	3,460	368	374
3,440	333	379	3,400	308	350	3,420	346	392

White maize market trends (Graph 7)

International:

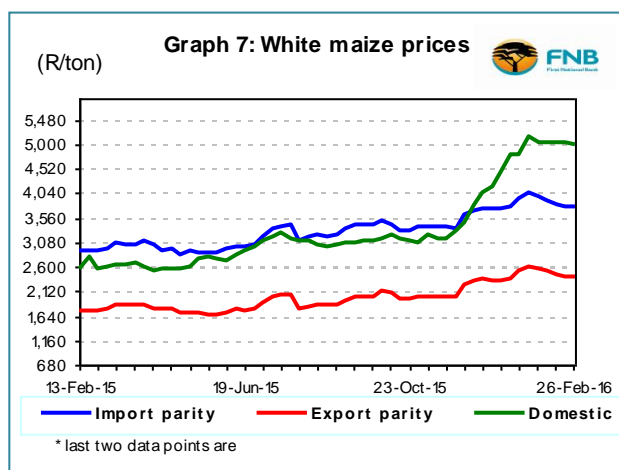
- Prices ended with moderate losses on the back of the bullish outlook report.
- Weekly average white maize prices came in at US\$152 per ton, down 3% w/w but up 3.5% y/y.

Domestic:

- Prices posted marginal losses as the Rand strengthened against the US\$.
- White maize prices averaged R5,030 per ton, slightly down on last week but up 96% y/y.
- Exports for the week ended 5th February 2016 were pegged at 10,466 tons, with the cumulative season to date reaching 355,969 tons, all destined to neighbouring countries.
- There were no imports registered for the week, cumulative year to date imports stand at 73,143 tons.

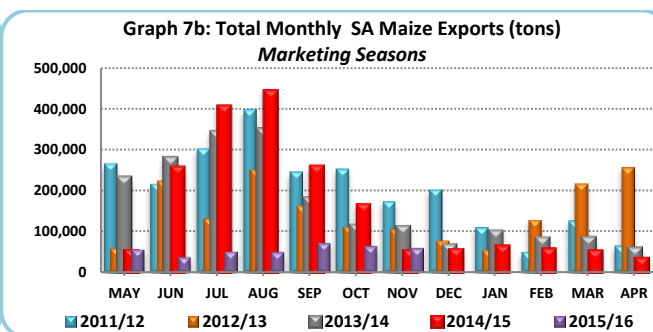
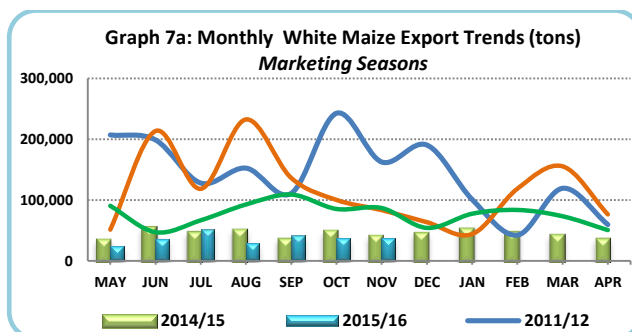
OUTLOOK

Prices are expected to move sideways to firmer with weather being a major driver as the growing season tails off.



White Maize Futures 12 February 2016	Mar-16	May-16	Jul-16	Sep-16	Sep-16
JSE (R/t) WM ₁	4,947	4,901	4,822	4,822	4,840

Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Mar-16			May-16			Jul-16		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
4,940	608	569	4,840	594	562	4,860	560	522
4,900	585	586	4,800	571	579	4,820	537	539
4,860	563	604	4,760	549	597	4,780	516	558



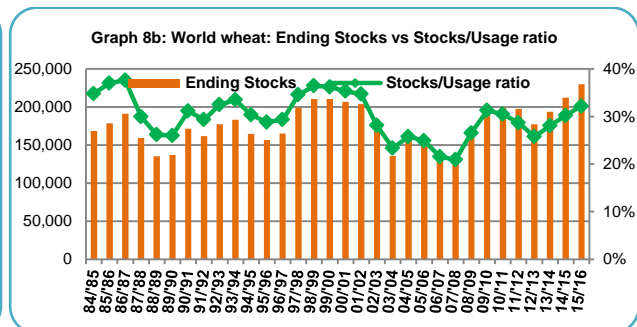
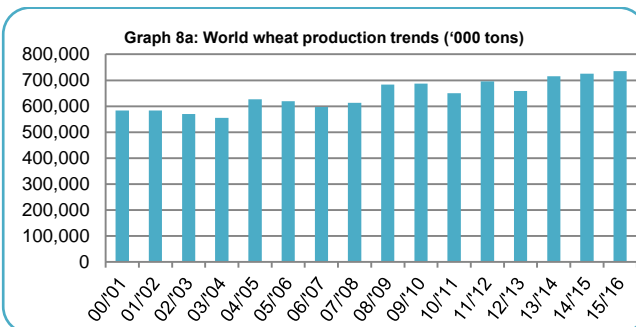
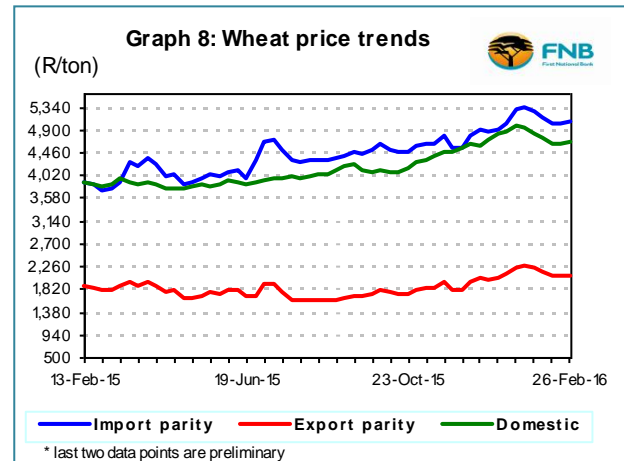
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Source: SAGIS;

Wheat market trends (Graph 8)

International:

- Wheat prices came under further pressure as a result of a bullish USDA WASDE report coupled with uncertainties around Egypt’s phytosanitary requirements.
- In its latest estimate report, the USDA expects a third consecutive record high global wheat crop at 736m tons, bringing overall global supplies to 950m tons, up 3% y/y.
- This was based on a large harvest in Ukraine estimated at 27.2m tons, 34% above the 5-year average. In Argentina, the wheat crop is estimated at 11m tons, an 11% y/y growth.
- Consumption is expected to grow by a modest 1% y/y on weaker demand in China, India and the USA.
- Consumption in China is estimated at 114m tons, 4% below the 5-year average. In India, consumption is expected to ease by 2% y/y while in the USA consumption is expected to remain below the five year average. This is mainly due to abundant supplies of other feed grains, limiting the use of wheat in feed. Trade is however expected to remain firm, with Argentinean exports advancing by 18% y/y at 6.5m tons.



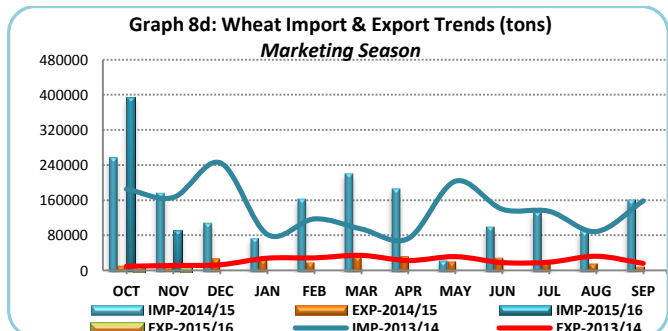
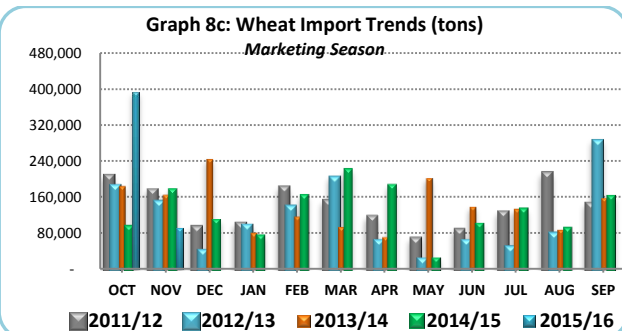
Source: USDA, PSD

Domestic:

- Wheat prices ended with moderate losses on spill over weakness from the international market.
- Weekly wheat prices were down 2% w/w but up 20% y/y at R4,631 per ton.
- Imports for the week ended 12th February 2016 came in at 73,823 tons, primary sources were Germany, Australia, Russia and Argentina. Cumulative year to date import for the 2015/16 season is at 852,777 tons.

OUTLOOK

Internationally, the bearish trend will continue due to abundant supplies. Locally, the Rand will continue to underpin price direction for wheat prices. Meanwhile, good rains late in the summer season should boost moisture levels which will be beneficial for the next wheat crop during winter.



Source: SAGIS;

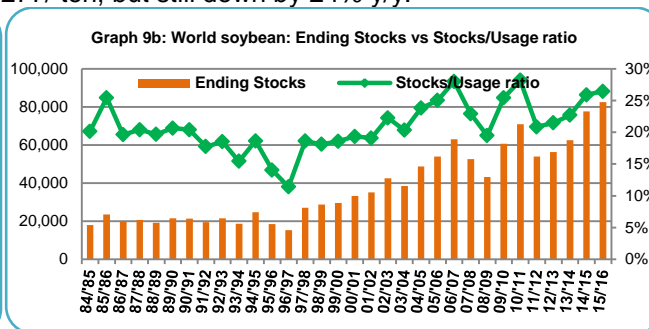
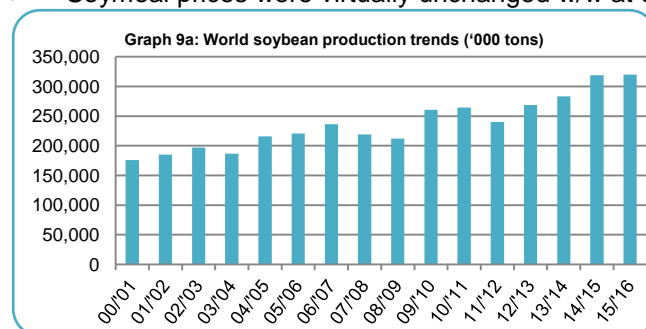
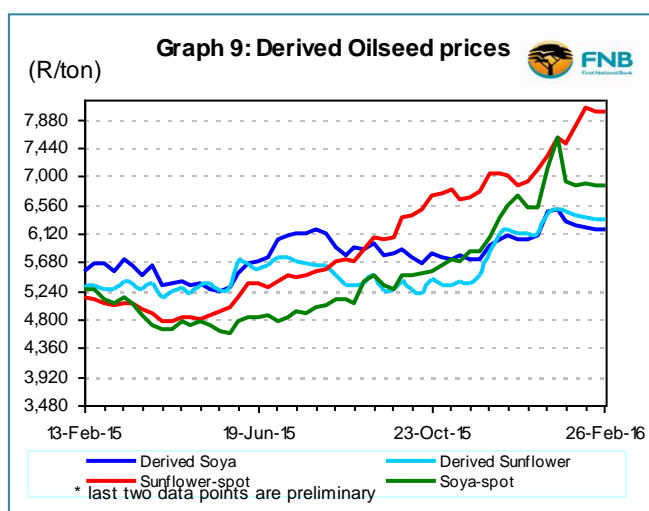
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Wheat Futures 12 February 2016	Mar-16	May-16	Jul-16	Sep-16	Dec-16			
KCBT (\$/t)	163.22	170.64	170.64	175.78	183.35			
JSE (R/t)	4,630	4,696	4,741	-	-			
Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Mar-16			May-16			Jul-16		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
4,740	320	276	4,780	332	293	-	-	-
4,700	298	294	4,740	310	311	-	-	-
4,660	277	313	4,700	289	330	-	-	-

Oilseed market trends (Graph 9)

International:

- US soybean prices ended weaker on a bullish USDA report.
- US ending stocks were revised higher on lower crushing, an indication of lower meal export demand. Ending stocks are currently estimated 12.23m tons, more than double the levels seen in the previous season.
- Soybean meal exports were lowered to 10.16 tons, down 0.45m tons m/m and down 14% y/y. China's import demand is estimated 80.5m tons, up by 2m tons y/y.
- Overall global stocks are estimated at 80.42m tons, up 4% y/y tons. Consumption is expected to remain strong supported by the livestock sector.
- Weekly soybean prices fell by 1.5% w/w and 13% y/y, closing at US\$339/ ton.
- Soymeal prices were virtually unchanged w/w at \$277/ ton, but still down by 24% y/y.



Source: USDA, PSD

Domestic:

- Prices rebounded slightly over the week on tight supply estimates. According to grain SA, sunflower imports may reach 100,000 tons to meet consumption of 713,000 tons.
- Soybean prices averaged R6,900/ ton, slightly higher w/w and up 31% y/y.
- Sunflower prices advanced were down 4% w/w at R8,056 per ton, up 57% higher y/y.

OUTLOOK

It remains a weather market going forward as growing season tails off and the impact of recent on crop development become known. Rand volatility will continue to influence further direction of prices in the short to medium term.

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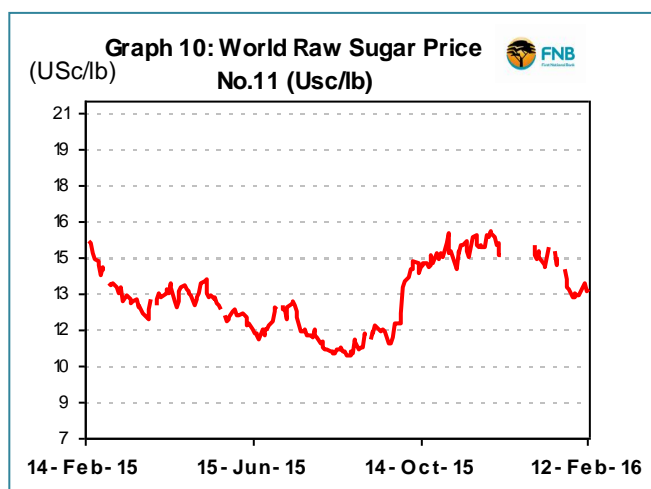
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Oilseeds Futures 12 February 2016	Mar-16	May-16	Jul-16	Sep-16	Dec-16			
CBOT Soybeans (US \$/t)	320.63	322.02	323.93	324.52	-			
CBOT Soya oil (US c/lb)	31.80	32.02	32.24	32.32	32.38			
CBOT Soya cake meal (US\$/t)	288.81	291.12	293.77	296.52	299.17			
JSE Sunflower seed (R/t)	7,760	7,060	6,785	-	-			
JSE Soybean seed (R/t)	6,825	6,345	6,400	-	-			
Calculated Sunflower Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Mar-16			May-16			Jul-16		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
6,740	535	774	6,720	722	679	6,820	776	745
6,700	516	795	6,680	700	697	6,780	753	762
6,660	497	816	6,640	678	715	6,740	731	780

Sugar market trends (Graph 15)

International:

- Sugar prices bottomed out and increased gaining strength from the recovery in crude oil prices and tight USDA estimates.
- In its latest forecast, the USDA expects an 8.85m short ton raw sugar value, slightly lower than the previous estimate but 2.3% higher y/y. There is an expected surge in import demand as importers take advantage of the re-export programme. Imports were raised to 3.2m tons, up 2% y/y.
- Raw sugar prices averaged US13.25 cents/lb, up 3% w/w but down 11% y/y.
- Futures moved sideways and virtually unchanged w/w with sugar for May-16 delivery closing at US13.12 cents/lb, while sugar for Jul-16 closed at US13.07 cents/lb.



Domestic:

- The January 2016 RV price in respect of cane delivered in December 2015 was declared at R3,820.81 per ton, up R19.84 m/m. According to the South African Cane Growers Association’s report, this was largely due to the 5,400 ton increase in LMDE on better than expected sales during December 2015. Gross sugar output was lowered by 2,779 tons to 1.635m tons due to dry spells in dry land sugar producing regions.
- Though the world No.11 contract was softer, this was offset by the weaker currency. At this stage 29,606 tons remains in the crop buffer in the event that there is any further decline in the production estimate.

ICE Sugar Futures 12 February 2016	Mar-16	May-16	Jul-16	Oct-16	Mar-17
Sugar No.11 (US c/lb)	13.12	13.07	13.29	13.9	13.69
% Change w/w	-0.2%	0.4%	0.6%	0.7%	0.8%

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Vegetable Market Trends (Graphs 11 to 15)

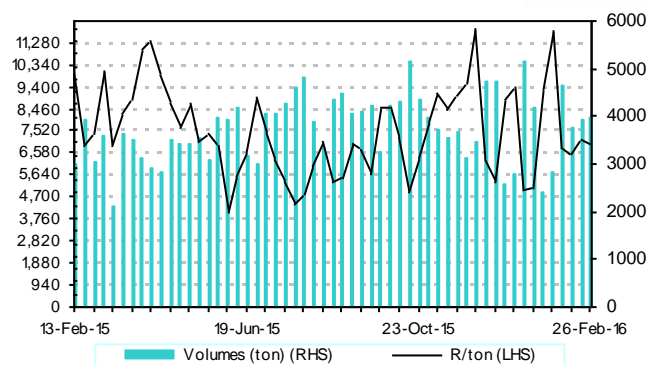
Tomatoes

Tomato prices eased on subdued demand across markets.

The average weekly tomato prices were down 3% w/w and 34% y/y, closing at R6,560 per ton. Volumes of tomatoes traded reached 3,754 tons, up 20% w/w and 25% y/y.

Prices are expected to remain on the bearish side on weak market uptake.

Graph 11: Fresh Produce Markets - Tomato prices



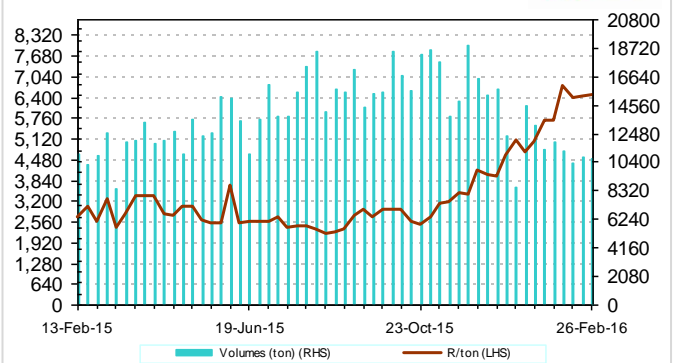
* last two data points are preliminary

Potatoes

Potato weakened on volume pressure. Weekly potato prices closed down 5% w/w at R6,389 per ton, which is 138% higher than last year level. Volumes of potatoes traded came in at 10,364 tons, down 7% w/w and 6% y/y.

Prices are expected to move sideways with a further downside potential.

Graph 12: Fresh Produce Markets - Potato prices



* last two data points are preliminary

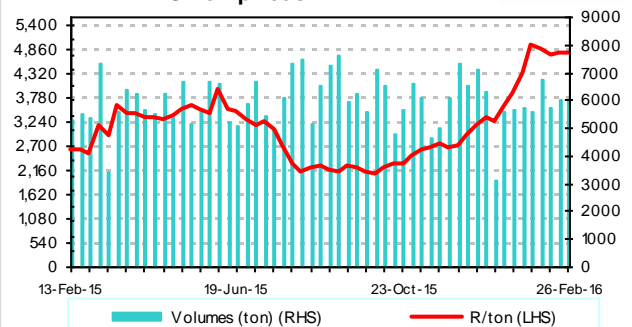
Onions

The onion market maintained the downward trend on subdued demand across markets.

Weekly onion prices were down 3% w/w but 81% higher y/y, closing at R4,737 per ton. Volumes of onions traded were 15% lower compared to last week but up 8% y/y at 5,733 tons.

Prices are expected to extend the weak momentum in the short to medium term on moderation in demand.

Graph 13: Fresh Produce Markets - Onion prices



* last two data points are preliminary

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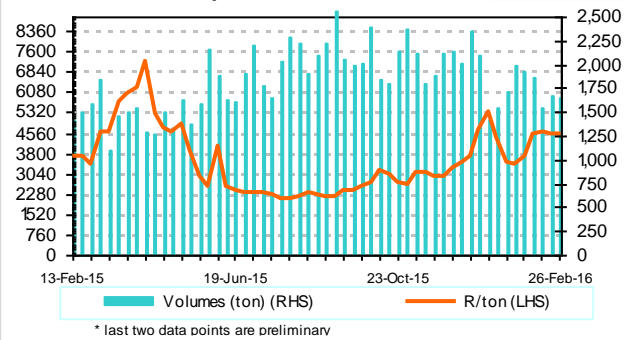
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Carrots

Carrot prices posted modest gains on lower deliveries across the market. Weekly carrot prices closed at R4,623 per kg, up 1% w/w and 57% higher y/y. Volumes of carrots traded came in at 1,537 tons, down 18% w/w but 8% higher y/y.

The short term price outlook has turned bearish due to improved volumes across markets.

Graph 14: Fresh Produce Markets - Carrot prices

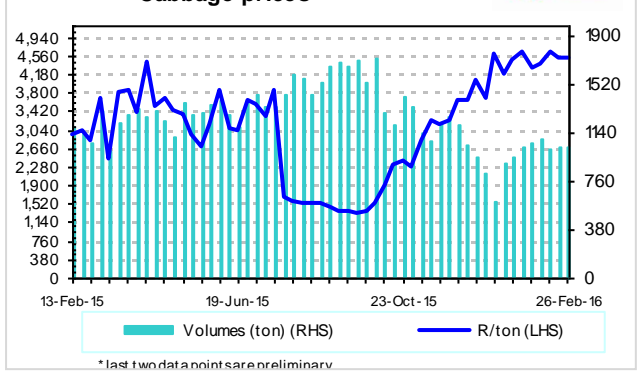


Cabbages

In the cabbage market, prices extended recent gains on supply tightness. Weekly cabbage prices closed R4,623 per kg, up 6% w/w and 57% y/y. Volumes of cabbages traded reached 1,007 ton tons, down 7% w/w but down 15% y/y.

We expect prices to trend sideways in the short term on moderation in demand and improved volumes across markets.

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 12 February 2016	Average Price (R/t)			Total Volume (t)		
		w/w	y/y		w/w	y/y
Tomato	6,560	-3%	-34%	3754	-20%	25%
Potato	6,389	-5%	138%	10364	-7%	-6.2%
Onion	4,737	-3%	81%	5733	-15%	8%
Carrot	4,616	1%	25%	1537	-18%	8%
Cabbage	4,623	6%	57%	1007	-7%	-15%

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

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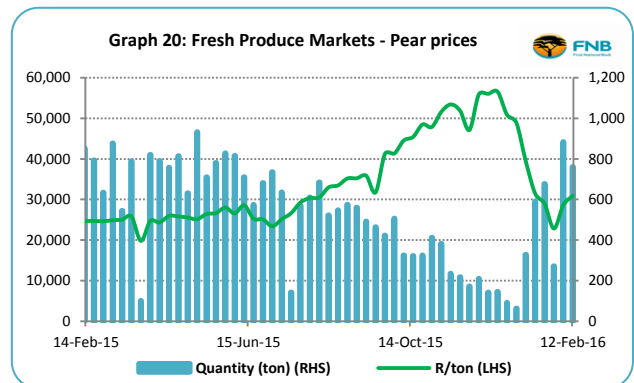
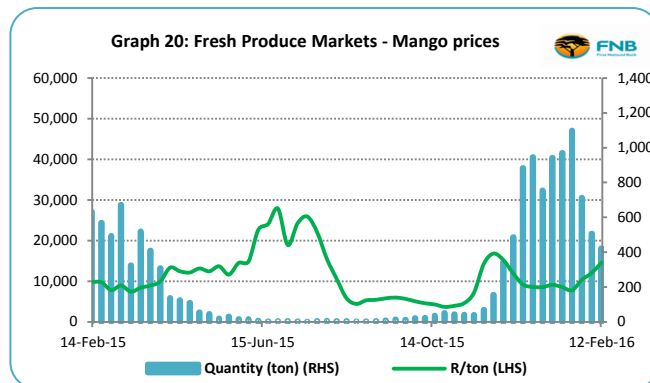
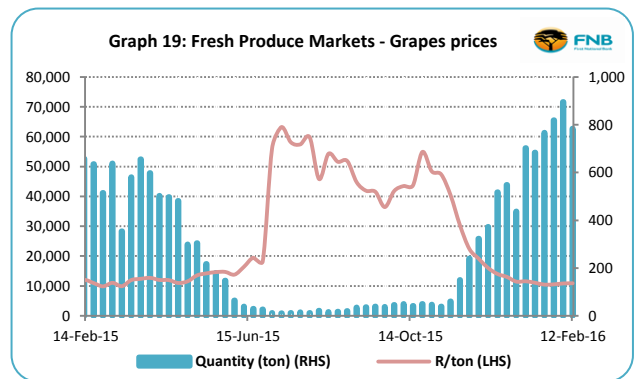
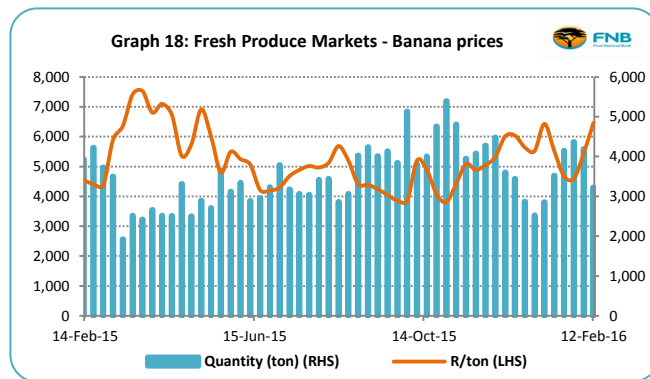
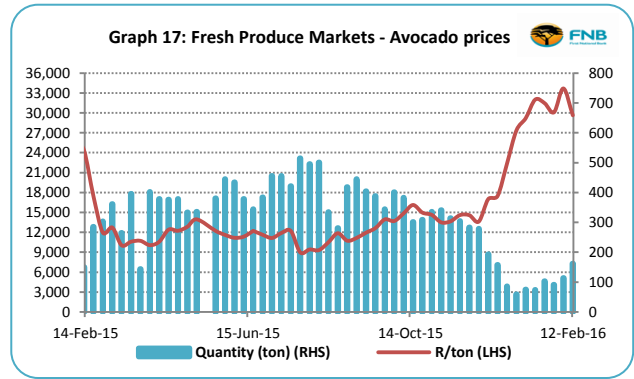
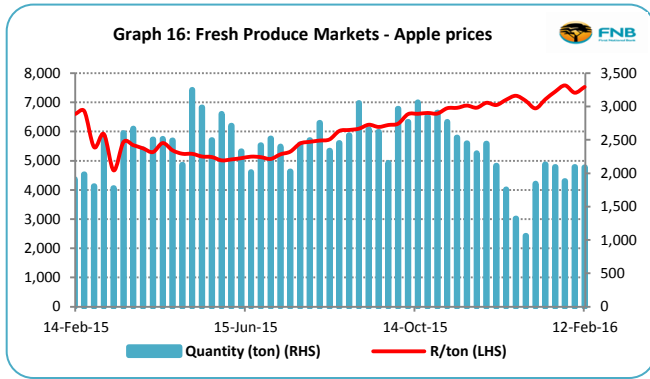
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The Fruit Market Trends – Major Fresh Produce Markets in SA (Graphs 16 to 20)



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

Week ending 12 February 2016	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Apples	7,528	3%	14%	2090	0%	9%
Avocados	29,636	-12%	22%	162	42%	8%
Bananas	6,467	19%	44%	3225	-23%	-18%
Grapes	10,910	1%	-9%	784	-12%	19%
Pears	30,907	8%	26%	760	-14%	-11%

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

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