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# Agri-Weekly

**FNB**  
First National Bank

22 January 2015

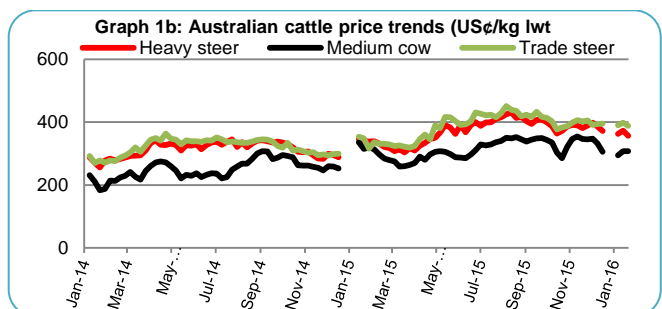
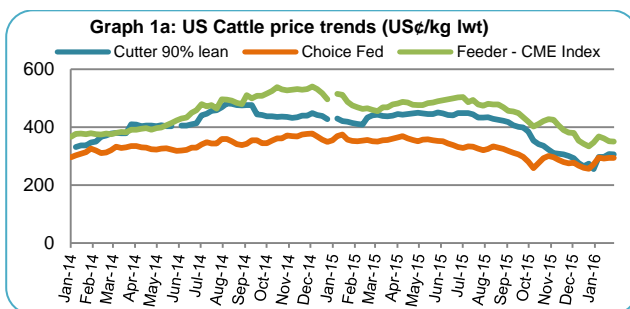
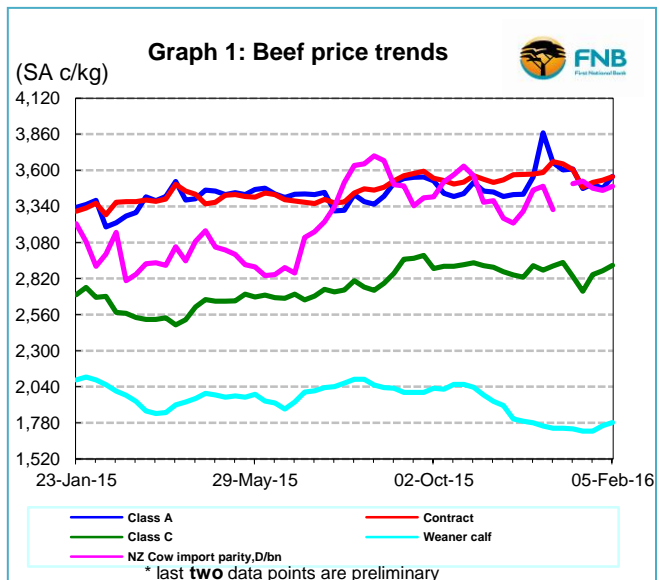
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## Beef market trends (Graph 1)

### International:

- In the US, imported beef prices were moderate to sharply higher on the back of tight supplies and strength in the domestic market. Domestic demand at retail and food service was reportedly good.
- Import supplies are tightening due to the reduced slaughter out of Australia and New Zealand. Australia's rate of slaughter rate is reportedly down by more than a third on year-ago levels since the New Year.
- However, the market remains concerned about the stronger US dollar and renewed weakness in the global economy on beef demand. This is likely to further slow US beef exports.
- Meanwhile, world agricultural commodity prices continued to fall due to increased supplies and subdued demand coupled with a strengthening US dollar.
- The United Nations Food and Agriculture Organization's food prices index for December 2015 dropped by 1% m/m and 19% y/y due to a decline in most food commodity prices with the exception of sugar and oils.
- The meat prices sub-index fell by 2.2% m/m and 15.1% y/y due to reduced beef import demand out of the US and a sharp increase in pig meat output in the European Union.
- In the cattle market, futures continued their downward trend with the CME Feeder Cattle Index falling by 2.8% w/w and 28.6% y/y to close at US\$157.51/cwt.
- Weekly US cattle slaughter came in marginally higher on the week at 569,000 head, but still down by 2.1% y/y. Year to date estimated cattle slaughter was however still down on last year by 4% at 1.74m head.
- In its January update, the United States Department of Agriculture (USDA) raised the 2015 US beef production slightly to 10.7m tons on higher cattle slaughter late in the year but cut the 2016 projection to 11.1m tons on lower feedlot placements. The trade projection was a bit bullish, cutting the 2016 imports modestly to 1.3m tons and raised exports by 22,500 tons.



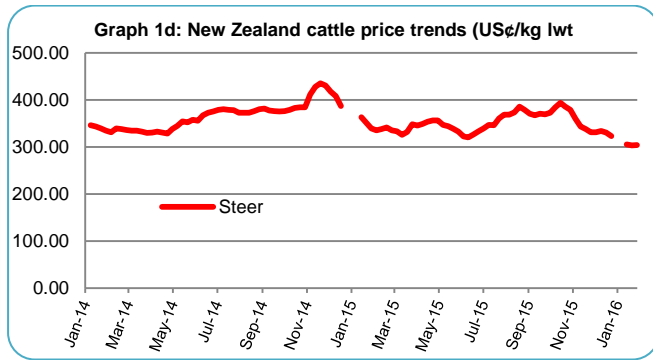
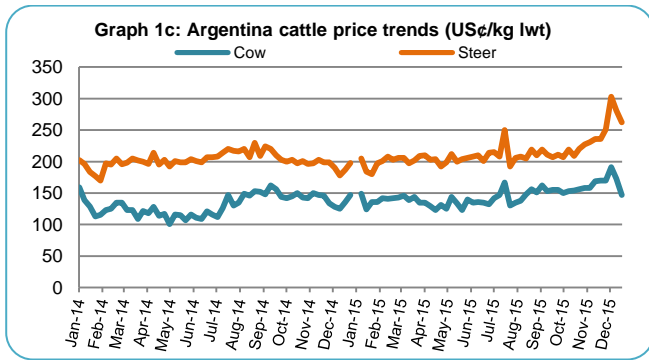
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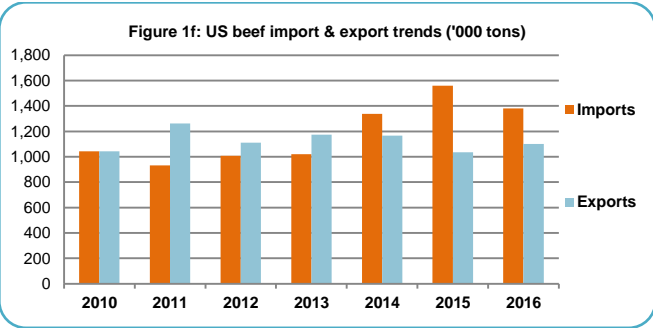
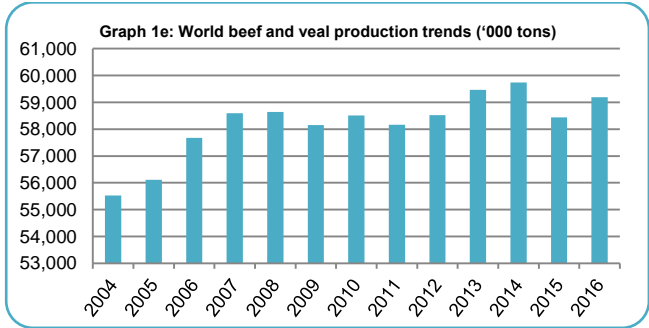
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Source: MLA



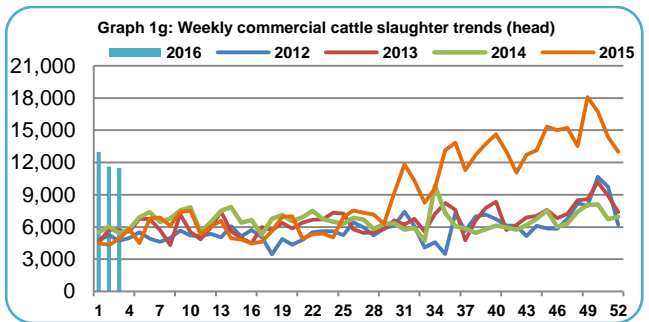
Source: USDA, PSD

**Domestic:**

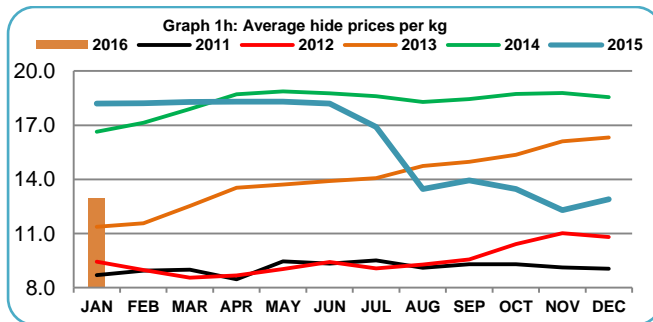
- This week saw a slight rebound on the beef market due to increased prospects of better production conditions as a result of recent rains. The market has been resilient with prices trending firmer despite higher slaughter due to drought conditions across the country. Rains were reported in most areas and grazing conditions are slowly recovering, but more is needed to ensure enough feed for the winter period.
- Weekly Class A beef prices ended a bit firmer at R35.02 per kg, which is 5% higher y/y.
- Contract Class A beef prices were marginally higher by 0.9% w/w at R35.12 per kg, up 6.3% y/y.
- Class C beef prices gained 4.4% w/w and 5.4% y/y at R28.47 per kg.
- Activity in the weaner market remains subdued due to higher maize prices. Weekly weaner calf prices steadied at R17.20 per kg live weight, which is down by 18% y/y.
- Hide prices remained relatively low despite a sharp depreciation in the Rand/ US dollar exchange due to weak global demand.

**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. Domestically, supplies are expected to contract in the medium to longer term as the industry enters a herd rebuilding phase following massive culling due to the devastating drought across the producing areas. Feeding margins are expected to come under pressure in 2016 due to tight domestic supply outlook for feed-grains and the resultant surge in prices particularly maize.



Source: RMMA; JAN 2016 figure is preliminary

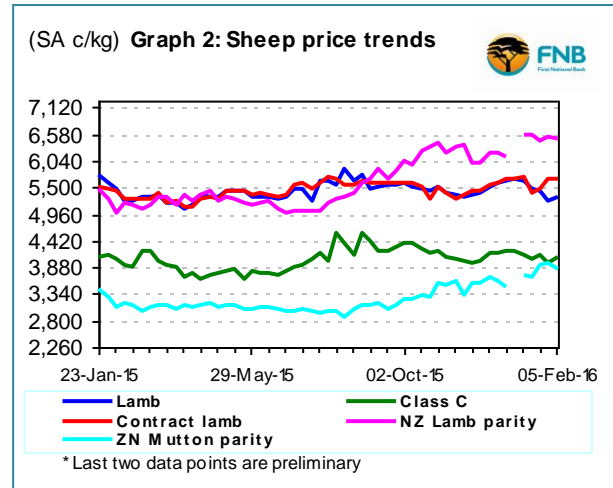


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**Sheep market trends (Graph 2)**

International:

- In Australia, domestic producer prices ended mixed with the National Trades Lamb indicator falling by 1.2% w/w at AU\$5.15/kg cwt. The mutton indicator prices on the other hand posted good gains, finishing the week up 3% w/w at AU\$2.84/kg cwt.
- In New Zealand (NZ), the weaker trend continued with the 17.5kg lamb easing to NZ\$86.30/ head, down by 1% y/y. Mutton prices posted further losses and settled the week at NZ\$45.60/ head, which is down by 1% y/y.
- On the export front, demand in major international destinations has reportedly been sluggish since December 2015 resulting in limited upside for prices.
- In the US, there was a slight rebound in the lamb market which saw the carcass cutout prices rising by 1.9% w/w but still down by 4.4% y/y at US\$327.54/cwt. The weekly sheep slaughter number came in at 38,000 head, down by 2.6% w/w but still up 8.6% y/y. The cumulative year to date sheep slaughter reached 114,000 head, which is still down by 1.7% y/y.
- US lamb production for the year to date was down 3.8% compared to the same period last year at 1,125 tons.

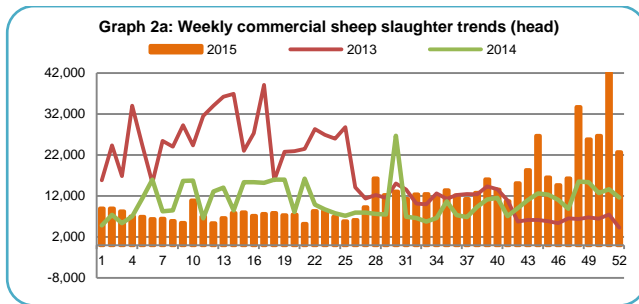


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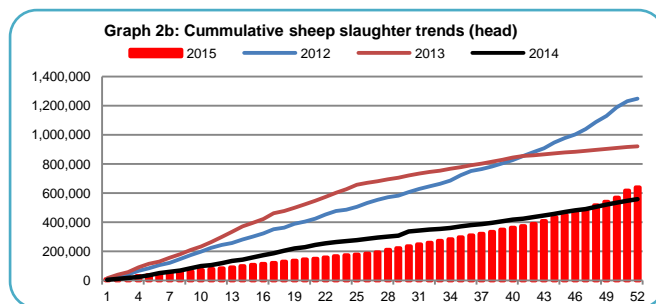
- The lamb and mutton markets eased lower due to lack of demand.
- Weekly Class A lamb prices fell by 1% w/w and 6% y/y at R54.39 per kg.
- Contract Class A lamb prices gained 2% w/w but still down 1% y/y at R54.59 per kg.
- Mutton prices gained 2% w/w and 1% y/y at R41.31 per kg.
- Weaner lamb prices posted a modest recovery as supplies tightened across markets. Weekly weaner lamb prices increased by 5% w/w and 6% y/y at R25.67 per kg live weight.

**OUTLOOK**

Good rains across the producing areas are most welcome and would improve production conditions. Supplies of weaner lambs are expected to tighten in the short to medium term as producers take advantage of the better grazing conditions.



Source: RMMA

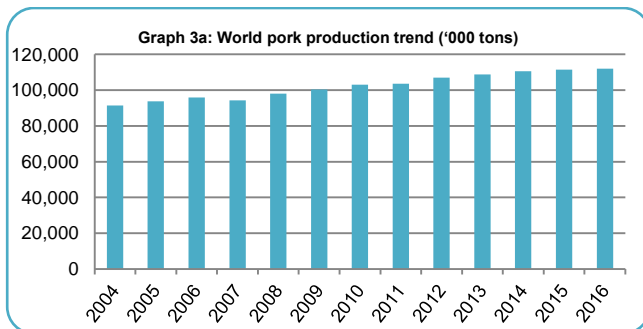
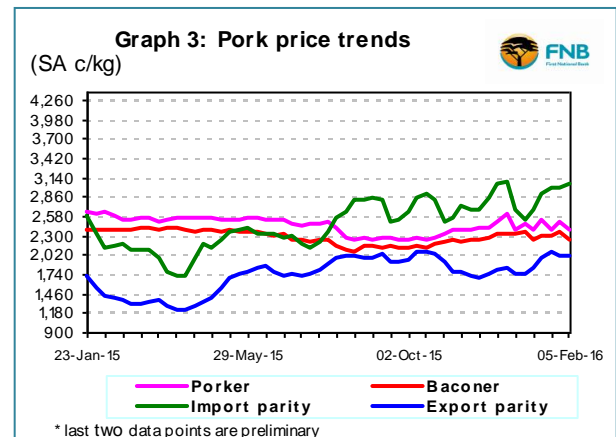


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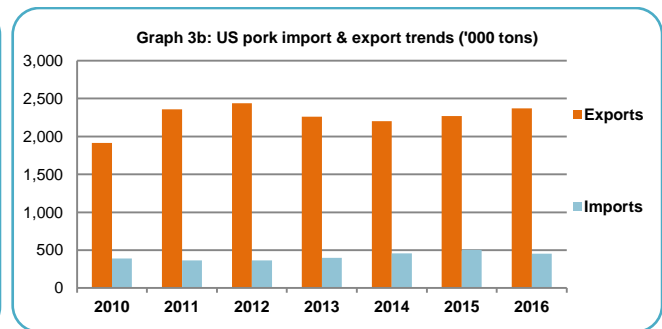
**Pork market trends (Graph 3)**

International:

- US pork prices posted strong gains and finished the week up 4% at US\$74.12/cwt, but still trailing last year's by 13%.
- Loin prices gained 3.8% w/w but still down by 12.5% y/y at US\$80.60/cwt.
- Rib prices advanced by 1.8% w/w but still down by 11% y/y at US\$134.25/cwt.
- Ham prices extended recent gains, finishing up 3.1% w/w/ at US\$55.39/cwt, but still down 23.7% y/y.
- The estimated US pig slaughter number came in slightly higher at 2.33m head, up 1.3% w/w and 0.5% y/y. The estimated year-to-date pig slaughter reached 7.38m head, which is 1% lower y/y.
- USDA lowered the US pork production for 2015 to 11m tons on the back of slower than expected slaughter. Pork production is increased slightly for 2016 to 11.24m tons on the back of increased carcass weights. Meanwhile, the USDA Quarterly Hogs and Pigs report released mid-December 2015 indicated that producers intend to farrow slightly fewer sows on average during the first half of 2016, which may limit growth in the pig crop despite growth in pigs per litter. Nonetheless, the breeding of 6.002 million head is the largest since December 2008.



Source: USDA,

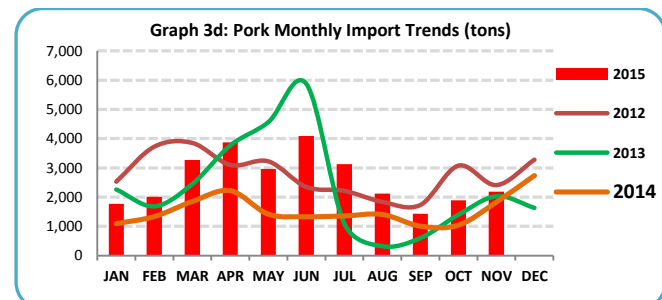
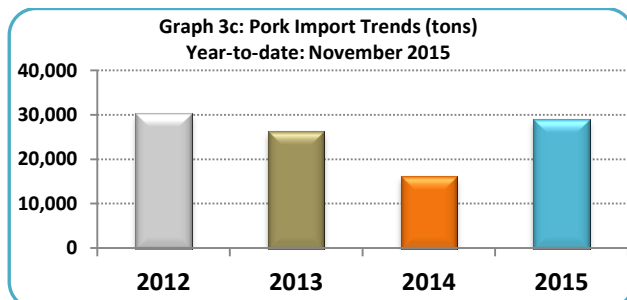


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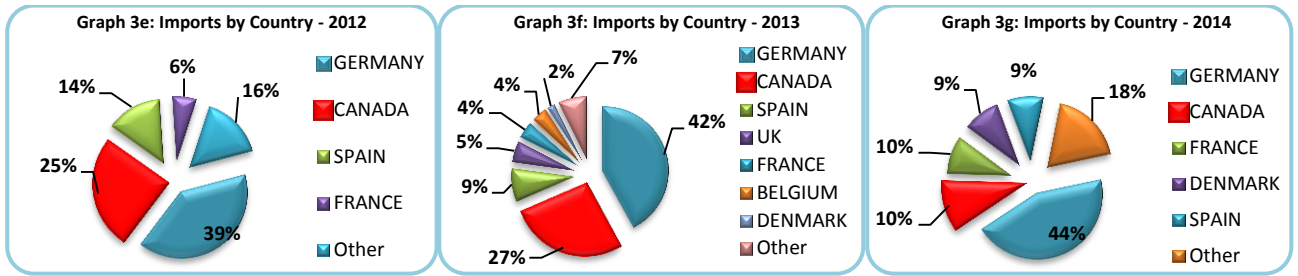
- Prices ended mixed with baconers extending recent gains. Porker prices posted modest losses, finishing the week down by 5.8% w/w and 9.2% y/y at R23.90 per kg.
- Baconers trended firmer at R23.03 per kg, but still down by 2.8% y/y.
- Import parity prices continued to strengthen on the back of higher international prices and the weakness in the Rand/US dollar exchange rate. Weekly import parity prices closed up 2.9% w/w and 16.4% y/y.
- While domestic prices are relatively good, the sharply higher grain prices continue to erode producer margins.

**OUTLOOK**

It is expected that prices will retain the current momentum in the short to medium with higher input costs due to expensive raw feed material continuing to put industry profitability under strain.



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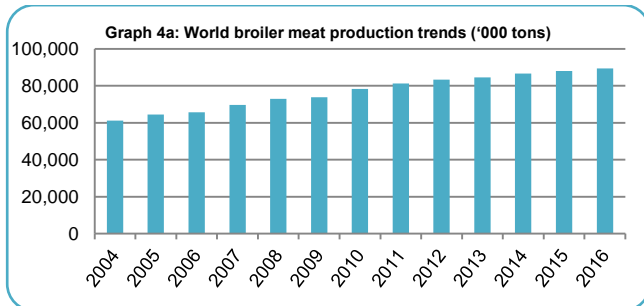
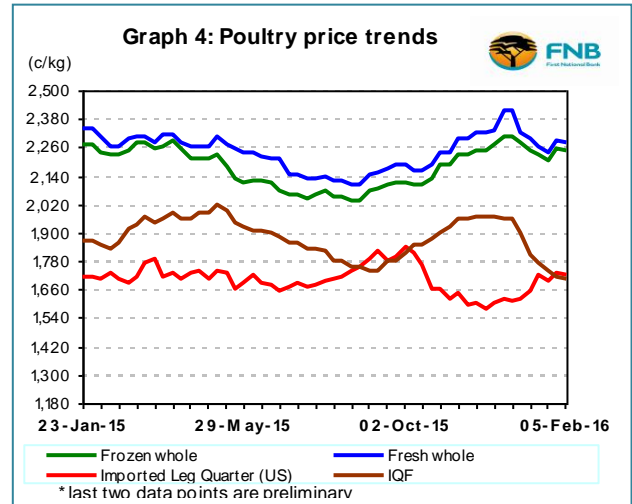


Source: SAPPO, SARS, Own Calculations

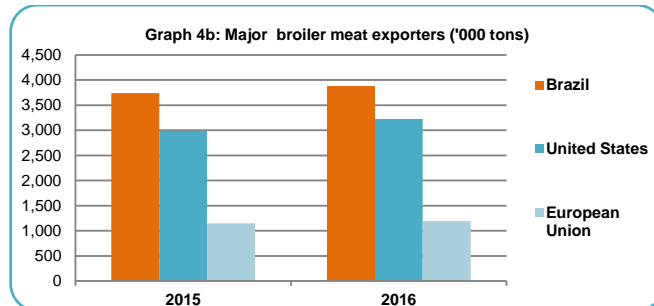
**Poultry market trends (Graph 4)**

International:

- US broiler prices were mostly mixed with whole bird prices easing further to US112.50 cents/lb, down 1.5% y/y.
- The exception was in the breast and wings categories with gains of 0.5% and 4.1% respectively from last week.
- Leg quarter prices posted slight losses and closed at US34.50 cents/lb, down by 2.8% w/w and 32% y/y.
- Drumsticks prices closed at US43.50 cents per pound, up 10.1% w/w but still down by 39.6% y/y.
- Demand at retail and food service was reportedly light to moderate ahead of the weekend. Market activity was slow to moderate.
- In the latest USDA World Agriculture Supply and Demand Estimate report, USDA lowered its fourth-quarter production forecast of ready-to-cook (RTC) broiler meat due to lower expected slaughter for December. Price forecasts for whole birds are increased for all quarters in 2016. The production forecast for 2016 was raised on stronger broiler prices and chick placement data.



Source: USDA, PSD



Domestic:

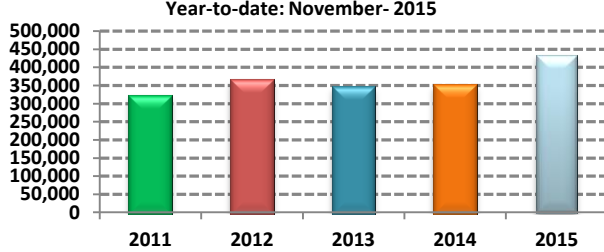
- As expected during this time of the year, local prices were down across the board due to weak demand.
- Individually Quick Frozen (IQF) cuts fell by 2% w/w and 7% y/y at R17.36 per kg.
- In the whole bird category, medium frozen whole birds closed at R22.02 per kg, which is 3.2% lower than last year.
- Medium fresh whole bird prices were down by 1.3% w/w and 4.5% y/y at R22.35 per kg.
- Import parity prices reversed course and weakened due to lower international prices despite a weaker Rand/ US dollar exchange rate. Weekly import parity prices fell by 1.7% w/w and 1.4% y/y.

**OUTLOOK**

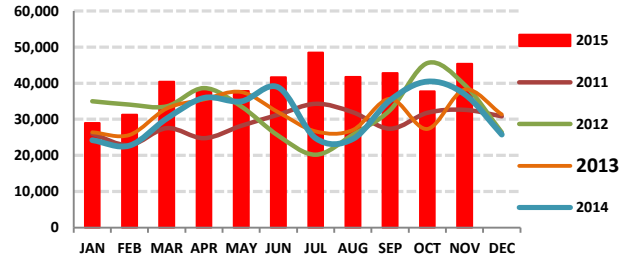
The short medium term outlook for international prices remains bearish given the strong inventories and increased production outlook particularly out of the US. While bird flu remains a problem in the US, it is confined to particular states allowing others to increase output. The local market is still digesting the impact of the recent Agoa deal which is likely to raise the level of imports in the longer term. 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.

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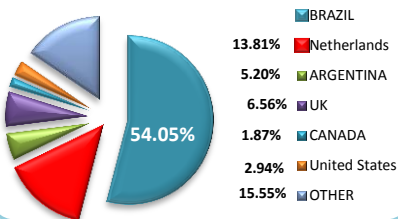
**Graph 4c: Poultry Import Trends**



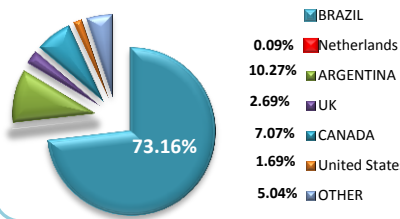
**Graph 4d: Poultry Monthly Import Trends (tons)**



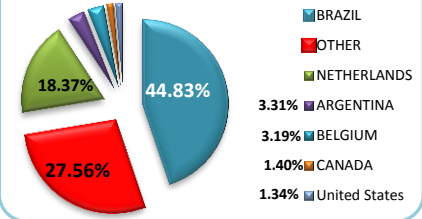
**Graph 4e: Imports by Country - 2012**



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



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



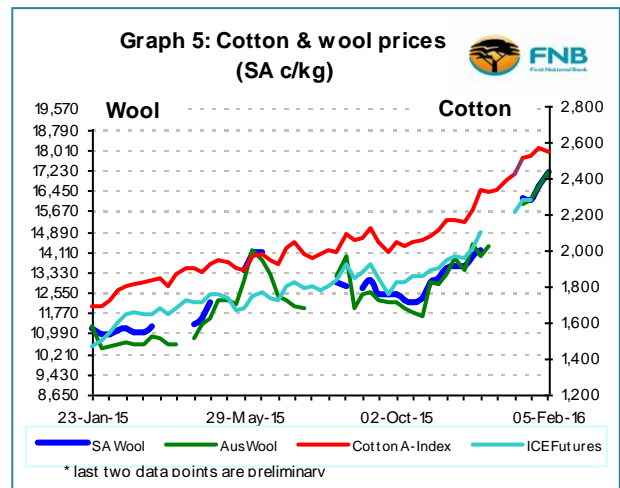
Source: SARS, Own Calculations; \*Excluding BNLS

Producer prices for selected livestock commodities 22 January 2016	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	35.02	54.39	23.90	22.35
Open market: Class C / Baconer / Frozen whole birds(R/kg)	28.47	41.31	22.97	22.02
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	35.12	54.59	23.03	17.36
Import parity price (R/kg)	34.71	39.34	30.00	16.92
Weaner Calves / Feeder Lambs (R/kg)	17.20	25.67		

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

International:

- The cotton market posted slight gains due to improved export volumes. Gains were however limited by losses in global equity markets sparked by the weakness in the global economy.
- US cotton exports sales were estimated at 194,600 bales, up 14% w/w and 63% from the four-week average. Major buyers were Turkey, South Korea, Pakistan and Japan.
- Furthermore, there are concerns that China might resume its reserve purchases of an estimated 9.2m bales. Pricing is expected to be market driven based on an index formula. Should the sales be available for exports, this will exert pressure on the international markets.
- Cotton prices were up 3.5% y/y settling at US68.74 cents/lb.
- USDA lowered the US and world production estimate. This was a sixth consecutive decrease in forecast with the global production reduced more than 2.0 million bales, based on updated harvest reports for Pakistan, China, India, and Turkmenistan, according to the USDA.
- Pakistan's crop is reduced 800,000 bales to 7.2 million, its lowest level since 1998, as falling gin arrivals indicate more extensive whitefly damage than previously expected.
- World consumption was reduced nearly 500,000 bales, reflecting decreases for India, Pakistan, and the United States. Imports were raised by 725,000 bales, virtually all in Pakistan, while exports for India and others were raised. World ending stocks projection came in at 102.9 million bales, down 8% from the beginning level.



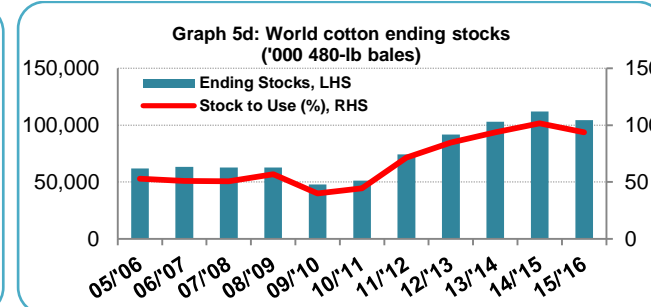
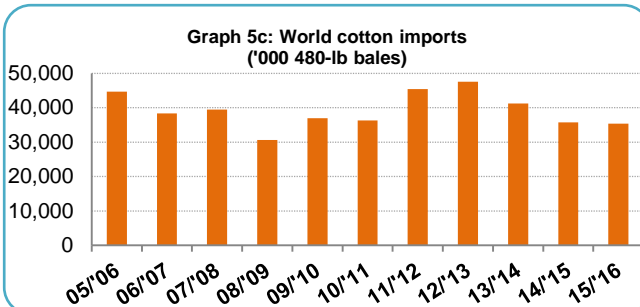
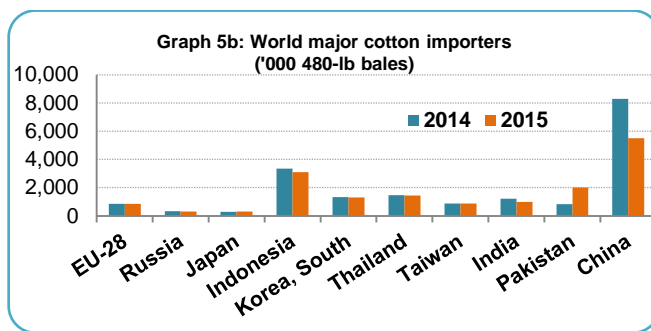
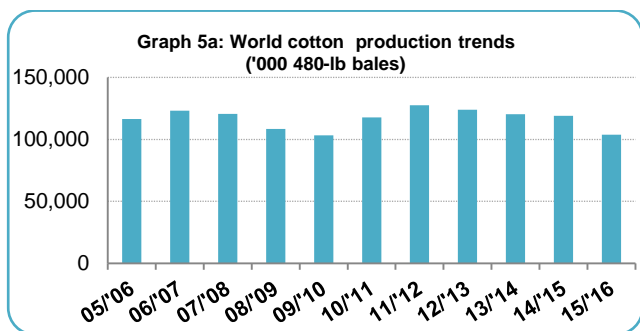
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Source: USDA, PSD; \*\*2015/16Fcast

- Wool market: Wool prices extended recent gains on good demand. This saw the weekly AWEX Eastern Market Indicator (EMI) finishing slightly higher from the previous sale at AU\$13.94 per kg clean wool.

**Domestic:**

- The Cape Wools Merino indicator moved sideways to weaker, easing from record levels seen in the previous weeks. The indicator was however still up 44% compared to last year at R160.76 per kg (clean). At this level, the indicator was 24% and 21% higher compared to the opening sale of the season and the season to date average respectively.
- Major wool buyers were Standard Wool SA with 5,511 bales (35.5%), Lempriere SA 3,970 bales (25.6%), and G Modiano SA with 3,022 bales (19.5%).

Fibre market prices 22 January 2016	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Jul-16 (AU\$/kg)	Australian futures Oct-16 (AU\$/kg)
Wool market indicator (R/kg)	160.76	149.93		
19µ long length wool (R/kg)	171.59	168.68	13.72	13.57
21µ long length wool (R/kg)	161.42	162.08	13.15	13.00
23µ long length wool (R/kg)	122.61	156.53	12.35	12.20
Fibre market prices 22 January 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)	25.24	1.51	1.38	1.39

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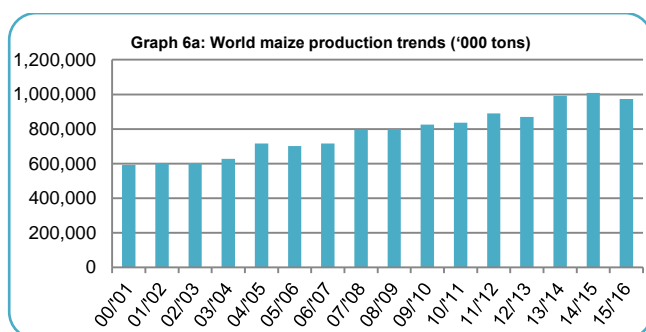
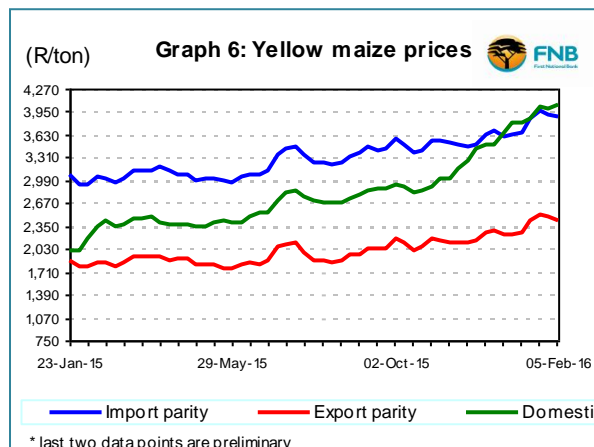
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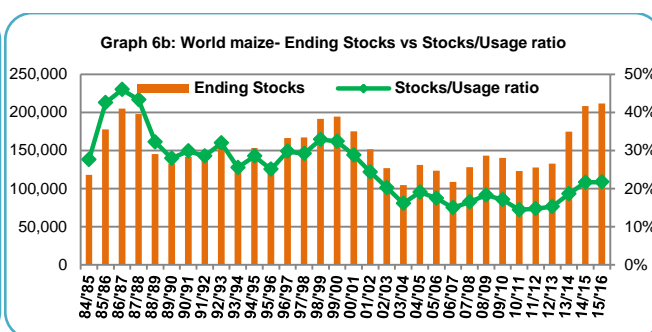
**Yellow maize market (Graph 6)**

International:

- Prices continued to trend firmer buoyed by a relatively tight USDA WASDE report and speculations of US farmers planting less hectares of maize in the current season.
- Prices gained close to 3% w/w, though still lower compared to last year.
- The US 2015/16 maize crop is estimated at 345.5m tons, down 4% y/y. Consumption is expected to remain flat on good demand for feed.
- Stocks of ethanol are reportedly on the rise due to weaker crude oil prices; this should see production easing in the short to medium term which will ultimately affect the demand for maize for ethanol.
- In the recent updates, International Grains Council (IGC) and the USDA pegged world production at 959.5m tons and 967.9m ton, slightly lower than the 1billion tons harvested last year. This is on the back of lower yields in the Southern African region, revised government support for maize in China, and lower planted area in the USA. Carryover stocks are expected to ease slightly reflecting a relatively smaller crop.



Source: USDA, PSD



Domestic:

- Although, recent rains have helped revive the heat stressed crops and encouraged plantings in other regions, the national crop is expected to come in at historical lows with prices remaining at record highs.
- General shortage on a regional basis will prompt excessive import demand. This comes in the midst of currency weakness, and bleak regional economic outlook.
- Weekly yellow maize prices were up 4.5% w/w and almost double the level seen last year at R4,021 per ton.
- Exports for the week ended 9<sup>th</sup> January 2016 were pegged at 3,372 tons, all destined for the neighbouring countries.
- Imports came in at 30,411 tons, with 51% sourced from Brazil and the rest from Argentina and Paraguay. Cumulative year to date figure is at 718,293 tons.

**OUTLOOK**

Prices are expected to continue to trend at higher levels in the short to medium term. Nonetheless, output is expected to improve slightly given recent showers. Meanwhile, the stronger US\$ will continue to keep developing market currencies on the back foot but will constrain US exports. However, the closest competitor Brazil, whose currency (Real) has weakened sharply will benefit from increased exports. Domestically, it remains a weather market as we enter the critical stages of crop development.

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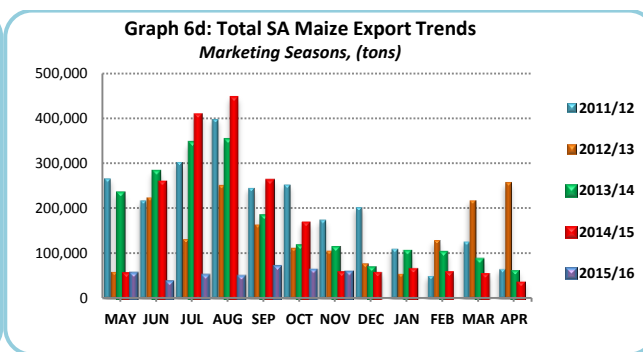
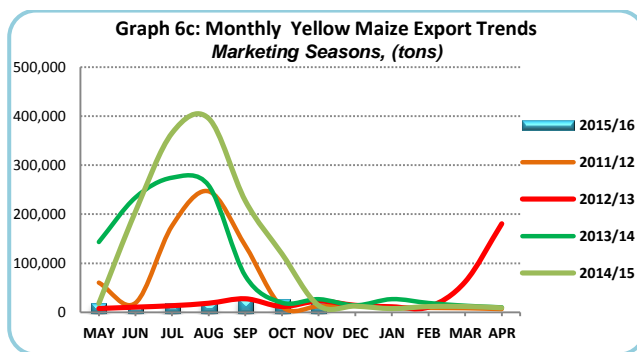
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Source: SAGIS,

Yellow Maize Futures 22 January 2016	Mar-16	May-16	Jul-16	Sep-16	Dec-16
CBOT (\$/t)	145.86	147.59	149.56	151.45	154.45
JSE (R/t)	3,840	3,621	3,562	3,589	3,617
CHICAGO CORN (R/t)	2,405	2,478	2,522	-	-

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
3,880	420	380	3,660	437	398	3,600	426	388
3,840	398	398	3,620	415	416	3,560	404	406
3,800	376	416	3,580	393	434	3,520	382	424

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

International:

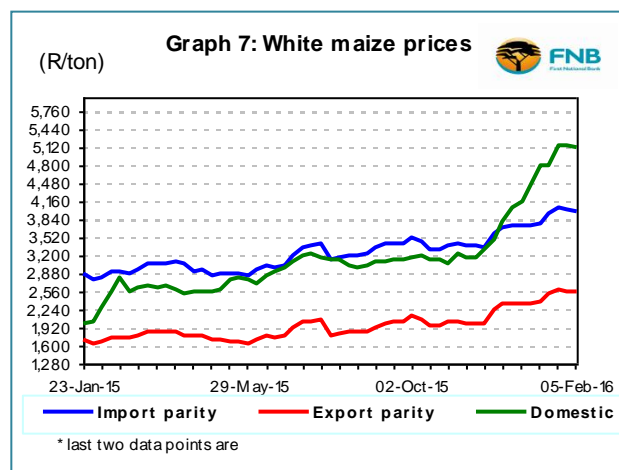
- Prices carried the strong momentum on good export demand and reduced estimates.
- Weekly average white maize prices came in at US\$155 per ton, up 3% w/w and 5% y/y.

Domestic:

- Recent showers helped to somewhat stabilise the distressed maize crop and encouraged plantings in some areas.
- Prices however continued to increase on a weaker currency and tightening domestic supply outlook.
- White maize spot prices averaged R5,162/ton, up 8% w/w and almost triple the level seen last year.
- Exports for the week ended 15<sup>th</sup> January 2016 were pegged at 11,384 tons, with the cumulative season to date reaching 326,876 tons, all destined to neighbouring countries.
- There were no imports recorded for the week, and cumulative year to date imports stand at 68,559 tons.

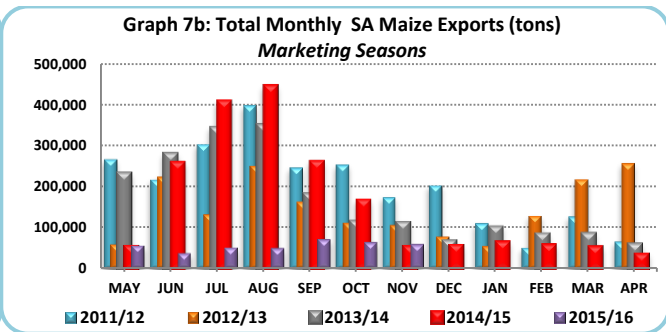
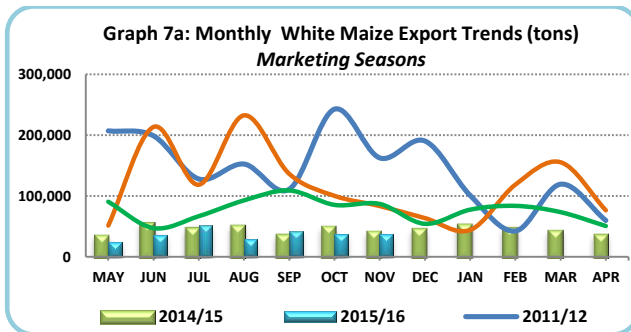
**OUTLOOK**

Prices are expected to continue to trend at higher levels in the short to medium term. Nonetheless, output is expected to improve slightly given recent showers. Meanwhile, the stronger US\$ will continue to keep developing market currencies on the back foot but will constrain US exports. However, the closest competitor Brazil, whose currency (Real) has weakened sharply will benefit from increased exports. Domestically, it remains a weather market as we enter the critical stages of crop development.



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White Maize Futures 22 January 2016	Mar-16	May-16	Jul-16	Sep-16	Dec-16			
JSE (R/t) WM <sub>1</sub>	5,136	5,003	4,805	4,819	4,839			
<b>Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)</b>								
Mar-16			May-16			Jul-16		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
5,180	915	871	5,040	686	649	4,840	679	644
5,140	892	888	5,000	663	666	4,800	656	661
5,100	868	904	4,960	641	684	4,760	634	679

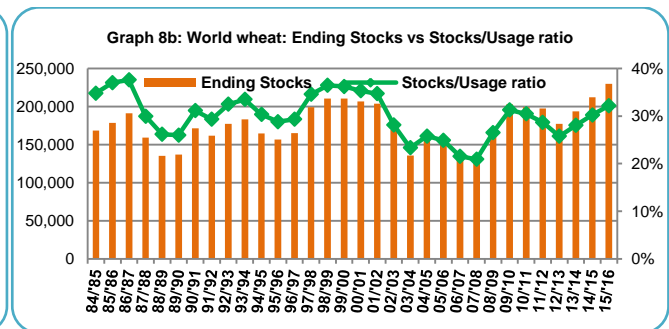
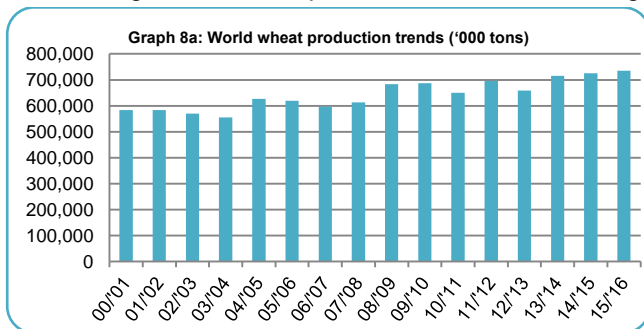
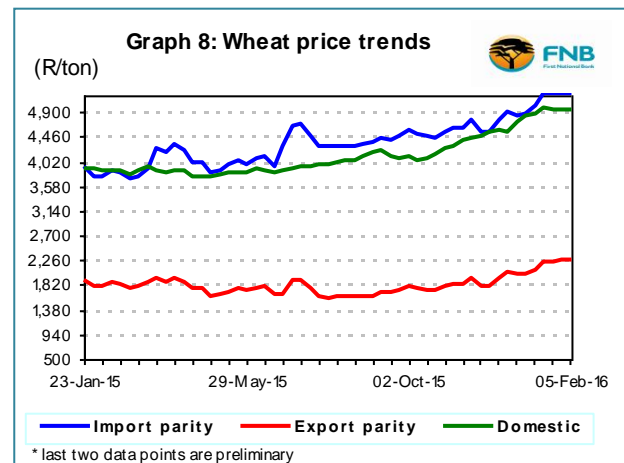


Source: SAGIS;

**Wheat market trends (Graph 8)**

International:

- In its first estimate for the year, the International Grains Council expects 2015/16 wheat crop to be 3% lower y/y on reduced plantings. World production came in at 706m tons.
- Consumption is expected to remain firm between 716 and 719m tons on good demand.
- Furthermore, European consultancy group Strategie Grains lowered its EU output by 600,000 tons m/m to 143.1m tons. However, EU exports are expected to be 3% stronger y/y at 28.9m tons.
- The strong US\$ added further pressure as it limited export competitiveness of US wheat on world markets.
- However due to consecutive years of record output, ending stocks are expected to reach a record high of 213m.



Source: USDA, PSD

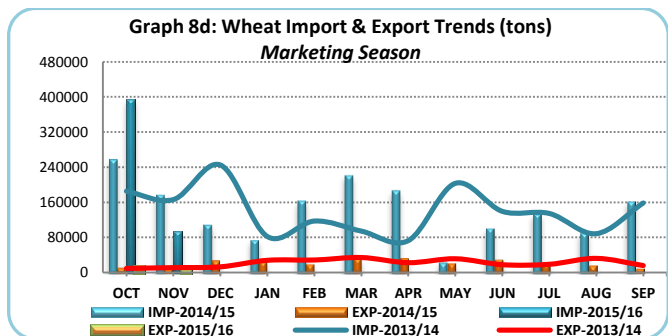
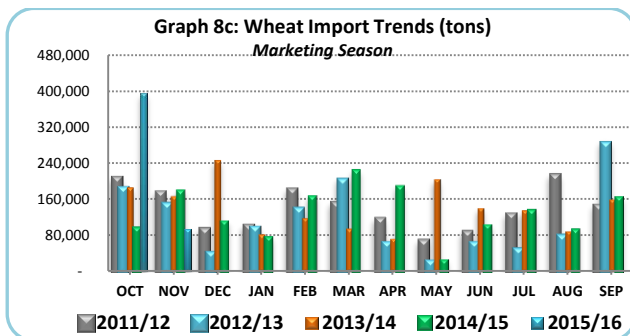
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**Domestic:**

- Wheat prices posted slight losses largely on spill over weakness from the international market.
- Weekly wheat prices fell by 1% w/w and 27% y/y to close at R4, 929 per ton.
- Imports for the week ended 22<sup>nd</sup> of January 2016 came in at 24,877 tons, mainly sourced from Germany. Cumulative year to date import for the 2015/16 season is at 626,708 tons.

**OUTLOOK**

The sustained Rand weakness will continue to provide support for the wheat market, limiting downside risk.



Source: SAGIS;

Wheat Futures 22 January 2016	Mar-16	May-16	Jul-16	Sep-16	Dec-16
KCBT (\$/t)	174.68	178.28	178.28	181.37	186.44
JSE (R/t)	4,960	5,024	5,041	-	-

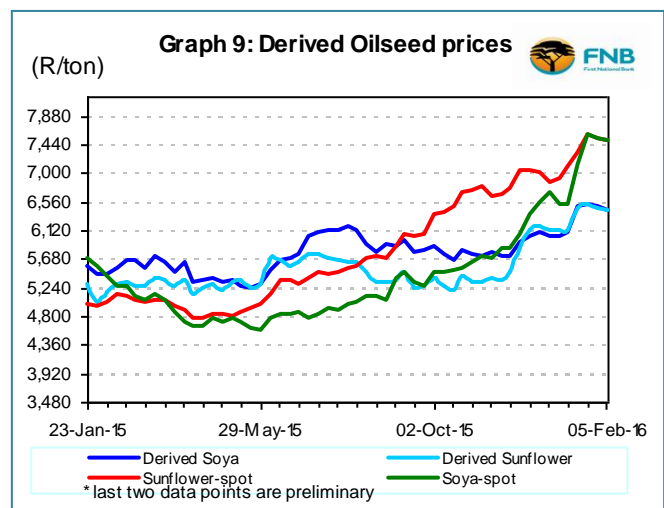
  

Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Mar-16			May-16			Jul-16		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
5,000	331	291	5,060	366	330	5,080	380	341
4,960	309	309	5,020	344	348	5,040	358	359
4,920	288	328	4,980	323	367	5,000	337	378

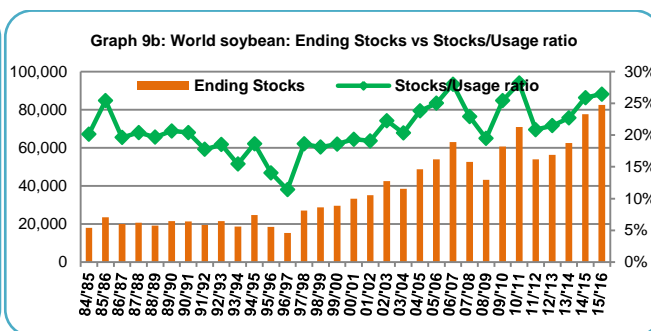
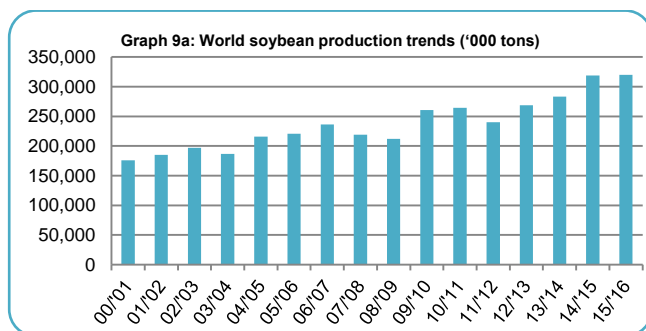
**Oilseed market trends (Graph 9)**

**International:**

- Prices moved sideways across the soybean complex on spill over gains from the maize market were offset by the bullish supply outlook and improved production prospects in Brazil.
- The IGC increased world soybean output by 1m y/y tons to 322m tons. Consumption was raised to 321m tons, up by 2m tons from last year.
- Ending stocks were therefore lowered to 44m tons, a million ton above last year's level.
- Import demand in China is expected to edge higher despite the bleak economic outlook and reflecting a 1m ton decrease in domestic output. Import demand is estimated at 81m tons, up 2.5% y/y.
- Production is however expected to ease in the Black Sea region, with Ukrainean output estimated at 3.7m tons. Soybean exports from the region are thus limited.



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Source: USDA, PSD

**Domestic:**

- Prices rallied further as concerns over the harvest outlook with the weaker Rand adding to the firmer tone. Soybeans were the biggest gainers, finishing up 6.2% w/w and 33.6% y/y at R7,587 per ton.
- Sunflower prices finished modestly higher at R7,591 per ton, which is up 53% higher y/y.

**OUTLOOK**

The global supply outlook remains bullish and will continue to limit the upside for international prices. Domestically, it remains a weather market with recent rains beneficial for the growing crops.

Oilseeds Futures 22 January 2016	Mar-16	May-16	Jul-16	Sep-16	Dec-16
CBOT Soybeans (US \$/t)	322.02	322.32	324.08	324.15	-
CBOT Soya oil (US c/lb)	30.50	30.69	30.91	30.99	30.99
CBOT Soya cake meal (US\$/t)	295.97	298.62	301.48	304.13	305.45
JSE Sunflower seed (R/t)	7,415	7,100	7,020	-	-
JSE Soybean seed (R/t)	7,195	6,540	6,610	-	-

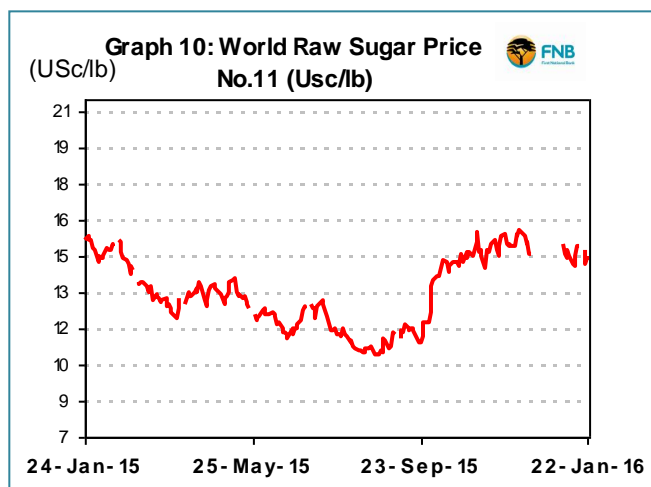
**Calculated Sunflower Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)**

Mar-16			May-16			Jul-16		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
7,460	548	503	7,140	772	732	7,060	820	780
7,420	526	521	7,100	750	750	7,020	798	798
7,380	505	540	7,060	728	768	6,980	776	816

**Sugar market trends (Graph 15)**

**International:**

- Sugar prices eased further dragged by declining crude oil prices which reduces the profitability of ethanol refineries. The bleak global economic outlook added to the weaker tone.
- Nonetheless, talk of possible reduction in output in Brazil due to persistent rains that threaten the cane quality. In addition, small crops were reported for India and Thailand.
- The USDA has reduced its sugar output by 57,000 short tons from the previous estimate indicating lower than expected yields.
- Meanwhile, the Hawaii Commercial and Sugar Company has reportedly announced that it will be terminating cane sugar production by the end of 2016. This was the reportedly sole surviving sugar producer in Hawaii.
- Raw sugar prices averaged US14.45 cents/lb, down 0.3% w/w and 8% y/y.



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**Domestic:**

- The November 2015 RV price in respect of cane delivered in October 2015 was declared at R3,800.96 per ton, down R6.74 m/m. According to the South African Cane Growers Association’s report, this was largely due to the 17,845 ton reduction to the LMDE; this arose out of the underperformance of sales in November 2015.
- The report further indicated the sharp decline in the weighted average world No.11 price (15.28 USc/lb. vs. 19.09 USc/lb.) was a consequence of Council's decision to allocate the balance of the 2014/15 season export carryover sugar to supply the US quota. This apparent decline in 2015/16 export revenue was offset by the decision to provide for a prior season adjustment due to the scheduling of the sale of 2014/15 season export carryover sugar to the relatively higher valued US market.
- The latest local crop estimate for 2015/16 indicates gross sugar production of 1.635m tons, a marginal decline of 421 tons compared with the November estimate. The export availability has increased to 72,192 tons. Currently 42,586 tons has been allocated for marketing and pricing, of which 10 300 has already been priced at an average of 12.53 USc/lb. 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 22 January 2016	May-16	Jul-16	Oct-16	Mar-17	May-17
Sugar No.11 (US c/lb)	14.17	13.94	14.01	14.42	14.19
% Change w/w	-2.1%	-1.6%	-1.5%	-1.2%	-0.7%

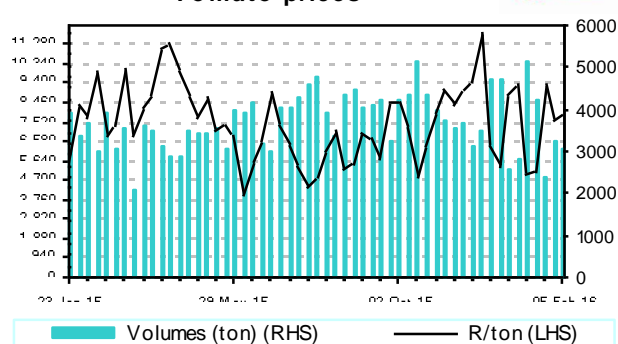
**Vegetable Market Trends (Graphs 11 to 15)**

**Tomatoes**

Tomato prices surged on supply tightness. The average weekly tomato prices was up 82% w/w and closed at R9,312 per ton, which is almost 65% higher y/y. Volumes of tomatoes traded reached 2,410 tons, down 43% w/w and 39% y/y.

Prices are expected to ease slightly but remaining significantly higher y/y as supplies improve.

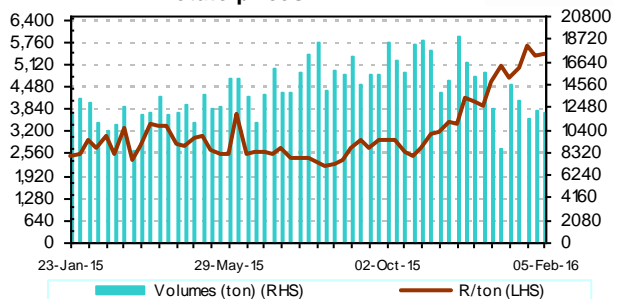
**Graph 11: Fresh Produce Markets - Tomato prices**



**Potatoes**

Potato prices posted good gains on lower deliveries. Weekly potato prices closed at R5,659 per ton, up 13% w/w which is 100% above last year's level. Volumes of potatoes traded came in at 11,357 tons, down 13% w/w but still 3.5% higher y/y. It is expected that prices will ease slightly in the short to medium term on expected increase in volumes across the markets.

**Graph 12: Fresh Produce Markets - Potato prices**



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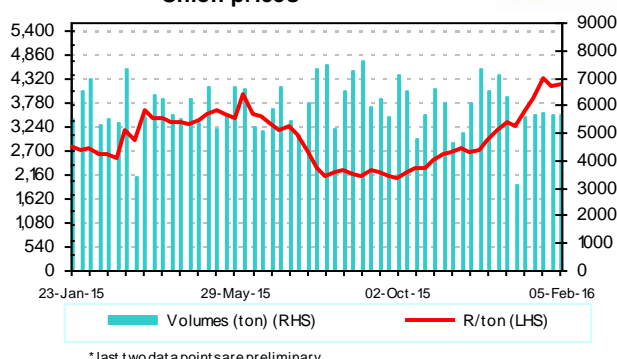
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**Onions**

The onion market saw further gains on lower deliveries and stable demand. Weekly onion prices increased by 11% w/w and 56% y/y, closing at R4,349 per ton. Volumes of onions traded edged slightly higher w/w and y/y estimated at 5,718 tons.

It is however expected that prices will move sideways to lower on volume increases.

**Graph 13: Fresh Produce Markets - Onion prices**



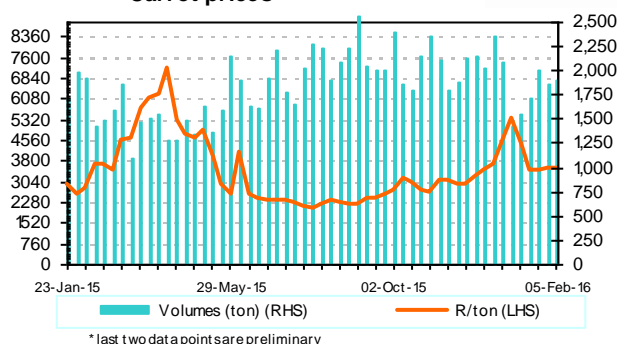
**Carrots**

Carrot prices posted marginal losses under pressure due to higher volumes. Losses were however limited due to strong demand across markets.

Weekly carrot prices closed at R3,431 per kg, slightly down w/w but 17% higher y/y. Volumes of carrots traded came in at 2,000 tons, up 17% w/w but down 16% y/y.

Nonetheless, the short term price outlook remains bearish on the back of abundant supplies on markets.

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



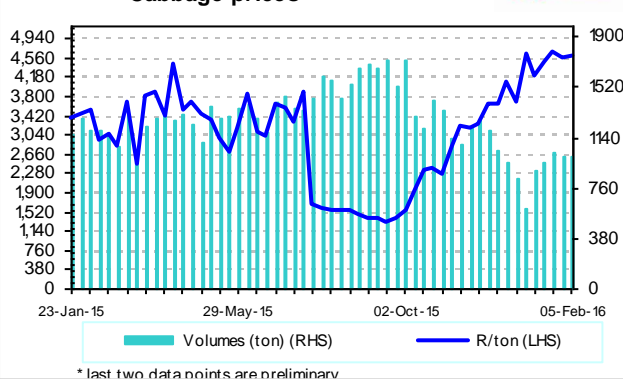
**Cabbages**

Cabbage prices were moderately higher supported by strong uptake across markets.

Weekly cabbage prices closed R4,656 per kg, up 4% w/w and 39% y/y. Volumes of cabbages traded were up 7% w/w but down 12% y/y, reaching 1,025 ton tons

Prices are expected to retain the recent uptrend on the back of good demand and limited 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 22 January 2016	Average Price (R/t)			Total Volume (t)		
		w/w	y/y		w/w	y/y
Tomato	9,312	82%	65%	2410	-43%	-39%
Potato	5,659	13%	131%	11357	-13%	-3.5%
Onion	4,349	11%	56%	5718	2%	4%
Carrot	3,431	-1%	17%	2000	17%	16%
Cabbage	4,656	4%	39%	1025	7%	-12%

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

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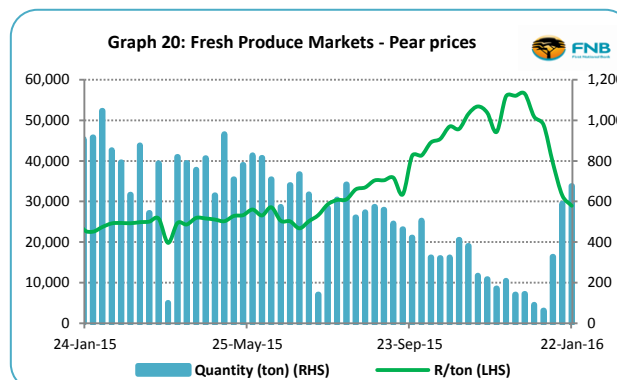
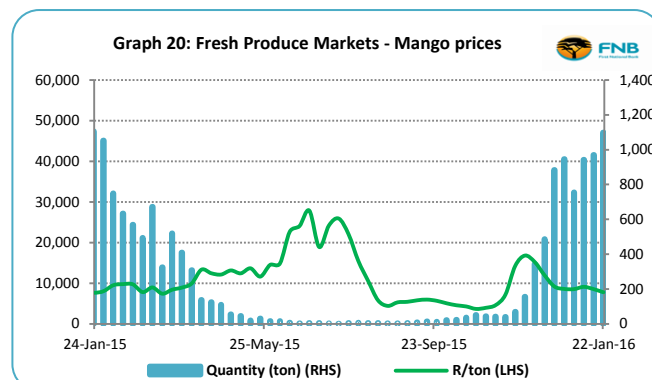
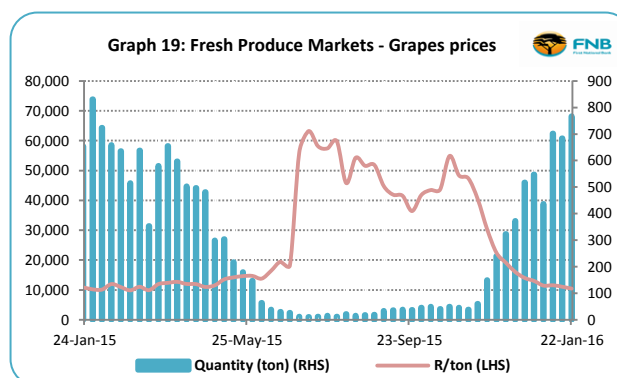
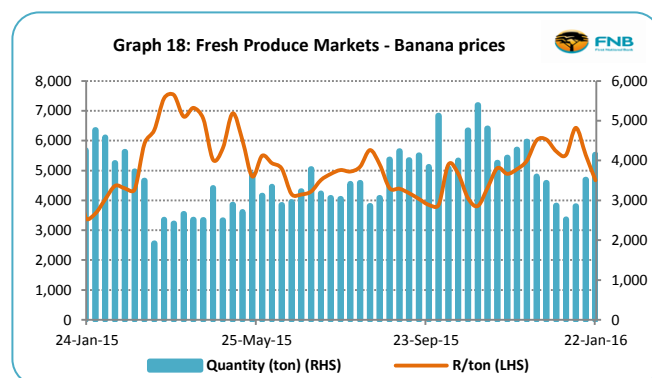
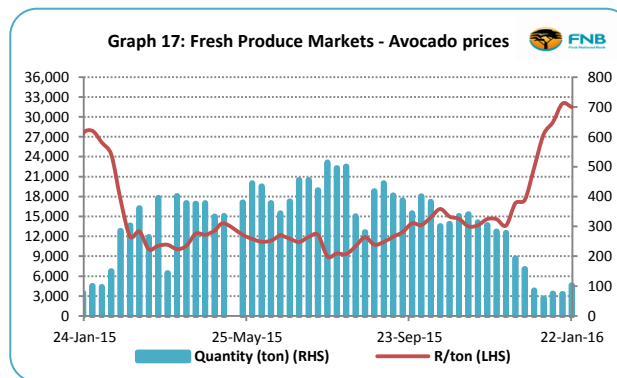
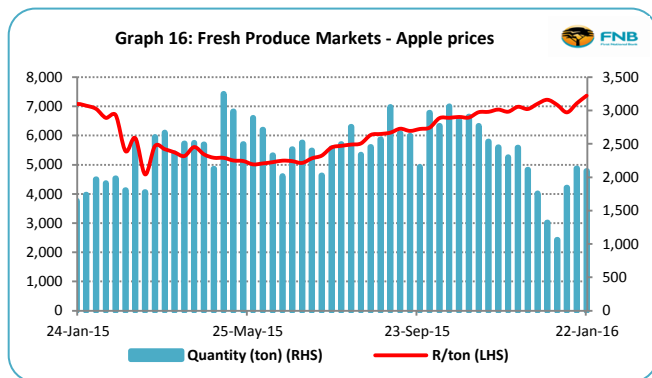
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The Fruit Market Trends – Major Fresh Produce Markets in SA (Graphs 16 to 20)



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

Week ending 22 December 2015	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Apples	7,368	4%	4%	2094	-2%	27%
Avocados	31,464	-2%	15%	103	38%	34%
Bananas	4,672	-15%	37%	4150	18%	-3%
Grapes	10,454	-6%	-4%	767	12%	17%
Pears	28,952	-8%	25%	676	15%	-26%

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

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