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Agri-Weekly

FNB
First National Bank

29 January 2015

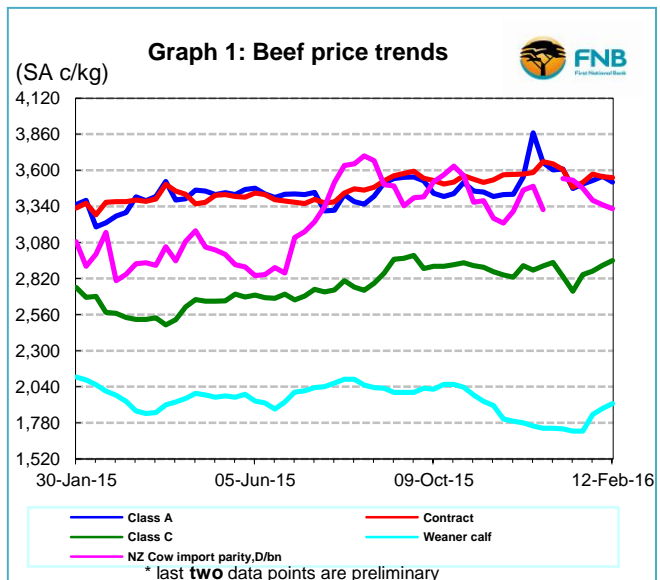
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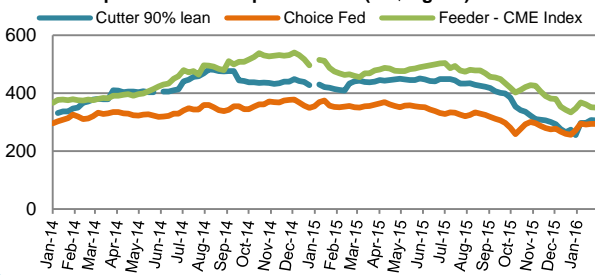
Beef market trends (Graph 1)

International:

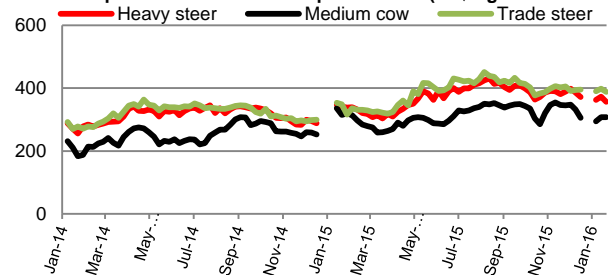
- In the US, imported beef prices maintained a strong trend on tight supplies. Domestic demand at retail and food service was reportedly good, lending further support.
- Import supplies are tightening due to reduced slaughter out of Australia and New Zealand. Australia's rate of slaughter rate is reportedly down by more than a third on year-ago levels since the New Year.
- US Boxed beef cutout values were down for most of the week with the Choice category closing at \$221.40/cwt, down 3.2% w/w and 10.3% y/y.
- Select cutout values closed at \$217/cwt, down 3% w/w and 9.7% y/y
- In the cattle market, the CME Feeder Cattle Index rebounded by 2.4% w/w to close at US\$161.24/cwt but still down by 23.8% y/y.
- Weekly US cattle slaughter came in marginally down on last week at 567,000 head, which is 0.4% lower y/y. Year to date estimated cattle slaughter was however still down on last year by 2.8% at 2.31m head. The total estimated beef production was pegged at 863,910 tons.
- In the latest United States Department of Agriculture (USDA) biannual Cattle Inventory Report, the US cattle herd came in up 3.2% compared to last year at 89.14m head but slightly below expectations. The calf crop was up 2.3% y/y, marginally below expectations at 33.5m head. Beef replacements came in at 4.7m head, up 3.3% y/y.
- In Australia, 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)



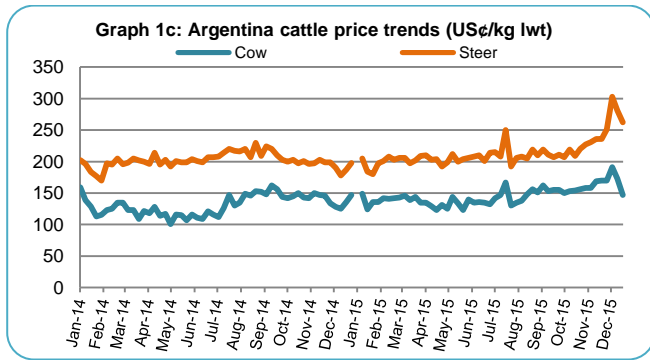
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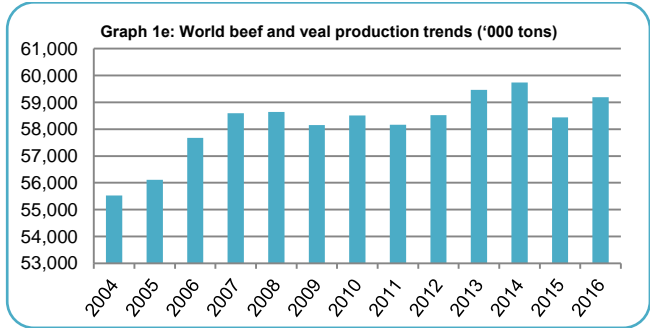
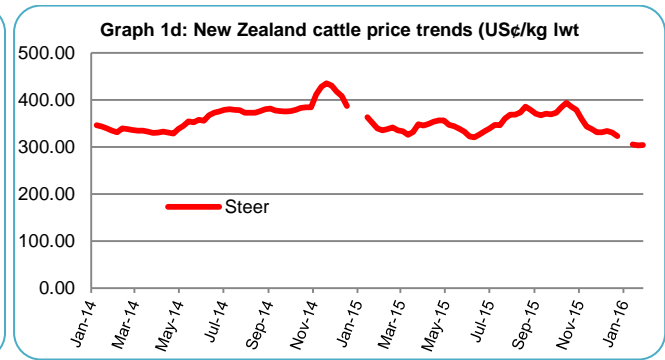
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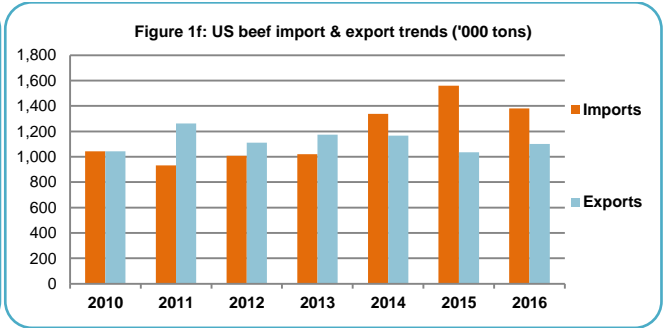
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Source: MLA



Source: USDA, PSD



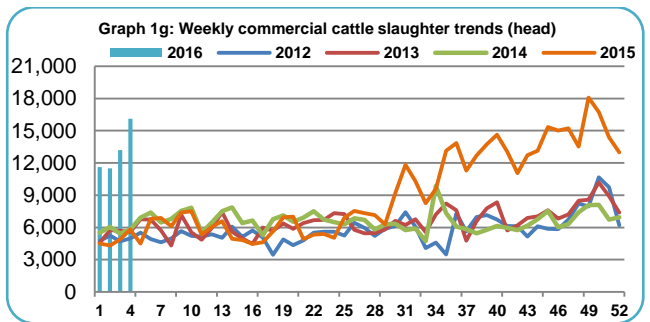
Domestic:

- This week saw a modest 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 R35.27 per kg, which is 5.2% higher y/y.
- Contract Class A beef prices increased by 1.7% w/w at R35.27 per kg, which is up 7.3% y/y.
- Class C beef prices gained 0.9% w/w and 4.3% y/y to close at R28.74 per kg.
- In the weaner market, supplies tightened on improved production conditions. As a result, weaner calf prices increased by 7% on the week to close at R18.40 per kg live weight but still down by 12.8% y/y.
- Hide prices remained relatively low despite a sharp depreciation in the Rand/ US dollar exchange due to weak global demand.

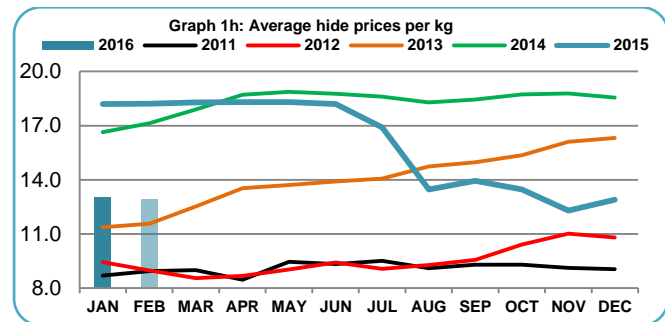
OUTLOOK

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. 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, supplies are expected to continue 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; Hides: the FEB 2016 figure is preliminary



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Sheep market trends (Graph 2)

International:

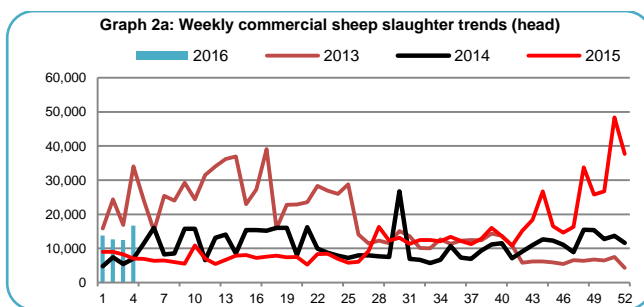
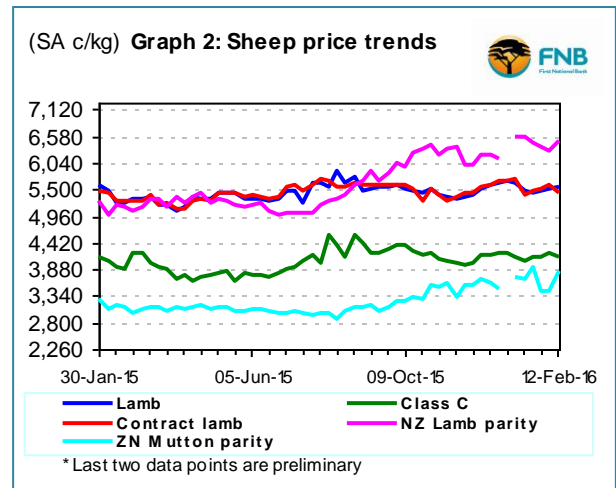
- In Australia, the National Trades Lamb and Mutton indicators closed at AU\$5.50/kg cwt and AU\$2.86/kg cwt respectively. Lamb slaughter was reportedly higher.
- In New Zealand (NZ), the weaker trend continued in the lamb market with the 17.5kg lamb easing further to NZ\$85.30/ head, down by 1% y/y. The mutton market was the exception with prices rebounding marginally to finish the week at NZ\$45.90/ head, which is down by 11% y/y.
- On the export front, demand in major international destinations has reportedly been sluggish since December 2015 resulting in limited upside for prices. Chinese demand has reportedly been waning while the Middle East remains adequately supplied.
- In the US, the carcass cutout prices reversed recent gains and closed down by 0.8% w/w and 5.9% y/y at US\$324.81/cwt. The weekly sheep slaughter number came in at 40,000 head, up by 5.3% w/w and 11.1% y/y. The cumulative year to date sheep slaughter reached 153,000 head, up 0.7% y/y.
- US lamb production for the year to date was down 2.8% compared to the same period last year at 4,725 tons.

Domestic:

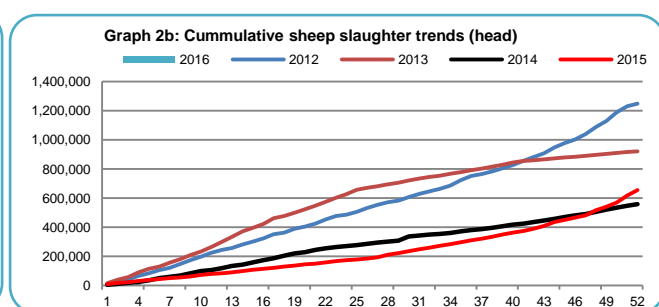
- The lamb and mutton markets saw slight gains on improved uptake.
- Weekly Class A lamb prices gained 3% w/w but almost unchanged y/y at R55.83 per kg.
- Contract Class A lamb prices were a bit firmer at R54.66 per kg, and almost unchanged y/y.
- Mutton prices trended rose by 2% w/w and y/y to close at R42.15 per kg.
- Weaner lamb prices move sideways for the week. Weekly weaner lamb prices came in unchanged at R25.67 per kg live weight, which is 12% higher y/y.

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

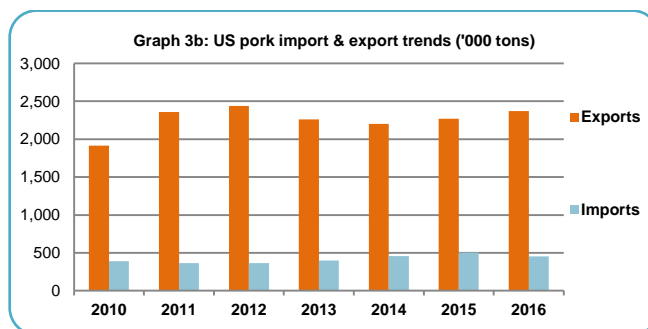
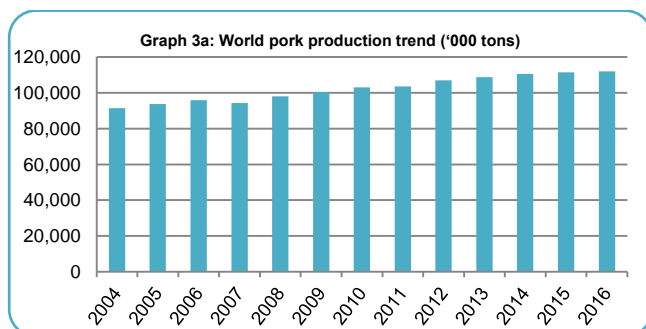
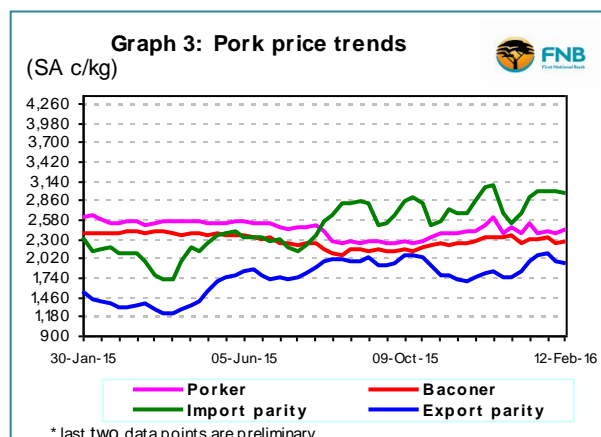


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Pork market trends (Graph 3)

International:

- US pork prices extended recent gains and finished the week up 3% at US\$76.37/cwt, but still behind last year by 5.3%.
- Loin prices advanced by 2.1% w/w but still down by 6.5% y/y at US\$82.33/cwt.
- Rib prices increased by 3.9% w/w but still down by 5.4% y/y at US\$139.51/cwt.
- Ham prices retained the recent uptrend and finished up 2.6% w/w at US\$56.81/cwt, but still down 11.1% y/y.
- Meanwhile, the CME Lean Hog Index was estimated around \$61.07 for January 28th, up \$2.70 from last week. It has now climbed over \$60 for the first time since November 9th.
- The estimated US pig slaughter number came in slightly higher at 2.33m head, up 0.6% w/w and 3.9% y/y. The estimated year-to-date pig slaughter reached 9.69m head, which is almost unchanged y/y. The estimated total pork production for the year to date reached 934,605 tons.
- 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.
- In its latest update, Rabobank indicated that the global pork market will remain weak during the first quarter of 2016 followed by some improvement leading to the second quarter.



Source: USDA,

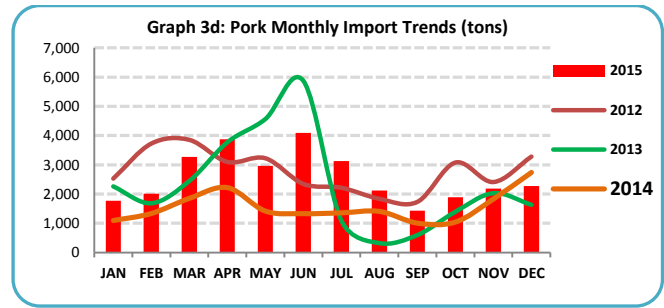
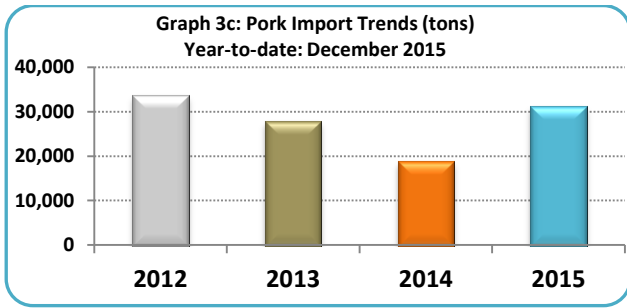
Domestic:

- This week saw a slight rebound in the porker market as supplies tightened.
- Weekly porker prices gained 1.3% w/w but still down by 7% y/y at R24.22 per kg.
- Baconers maintained the firmer trend at R23.10 per kg, but still down by 3.4% y/y.
- Import parity prices were almost unchanged from last week as the higher international prices were somewhat offset by a slight recovery in the Rand/ US dollar exchange rate.
- Meanwhile, there is not respite on the feeding side as maize prices remain elevated thus placing further on producer margins under pressure. This will force producers to implement more efficiencies in their operations.

OUTLOOK

Prices are expected to 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. Meanwhile, the weaker Rand so far has not helped in curbing pork imports with the 2015 figure sharply higher on the 2014 levels.

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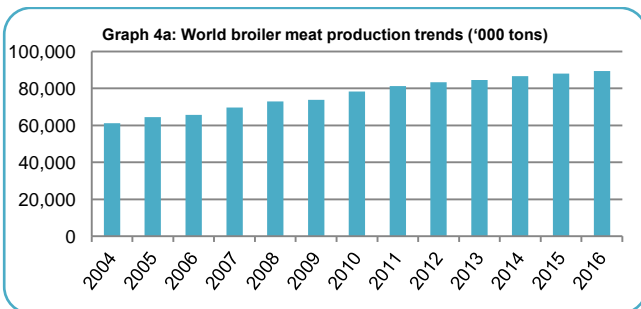
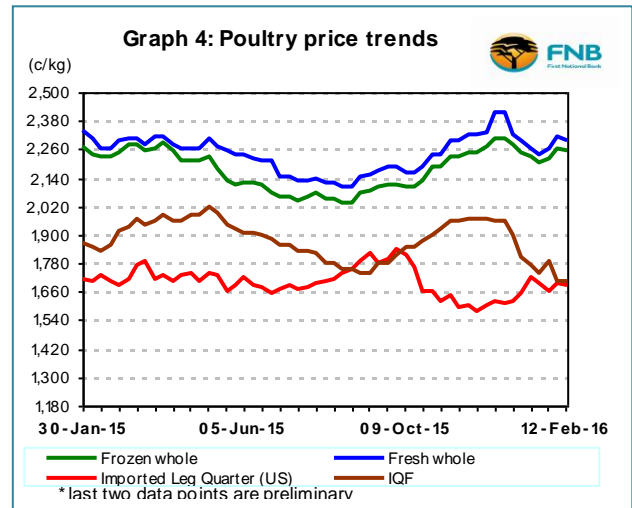


Source: SAPPO, SARS, Own Calculations

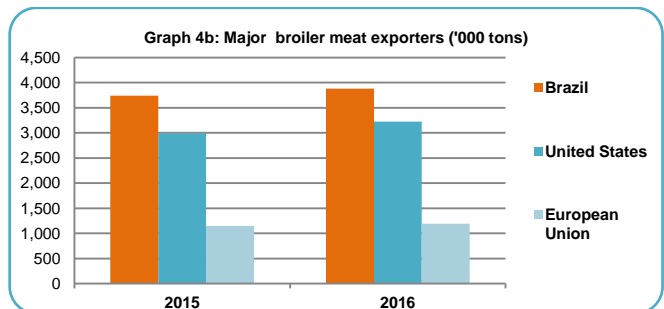
Poultry market trends (Graph 4)

International:

- US broiler prices were again mixed with whole bird prices easing further to US112.40 cents/lb, down 1.4% y/y.
- In the portions structure, prices were steady to lower with the exception of the wings category which extended recent gains to finish up 1.2% w/w but still down 1.8% y/y at US166.00 cents/lb.
- Leg quarter prices were steady at US34.50 cents/lb, but sharply down by 32% y/y.
- Drumsticks prices closed at US36.00 cents/lb, which is sharply down by 17.2% w/w and 40% y/y.
- Breast cuts dropped 1.5% w/w and 22% y/y to close at US99.50 cents/lb.
- Demand at retail and food service was reportedly light to moderate ahead of the weekend. Market activity was slow to moderate.
- USDA slaughter numbers showed an 8.9% w/w and 2.4% y/y drop in actual young chickens slaughtered. The actual ready-to-cook (RTC) pounds produced fell by 9.2% w/w and 1.3% y/y.
- 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



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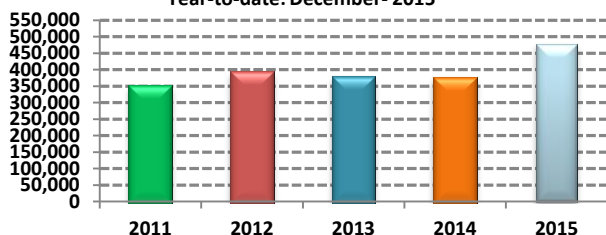
Domestic:

- Prices bottomed out and firmed on moderation in volumes. Demand remains relatively subdued as consumers are cash strapped post the festive period and face competing expenditure needs such as school requirements.
- Individually Quick Frozen (IQF) mounted a slight rebound, finishing the week up 2.9% but still down by 4.3% y/y at R17.86 per kg.
- In the whole bird category, medium frozen whole birds were firmer at R22.17 per kg, which is 2.5% lower than last year.
- Medium fresh whole bird prices gained 1.3% w/w at R22.64 per kg, but still down by 3.2% y/y.
- Import parity prices continued to weaken due to lower international prices and slight gains in the Rand/ US dollar exchange rate. Weekly import parity prices fell by 1.8% w/w and 3.2% y/y.

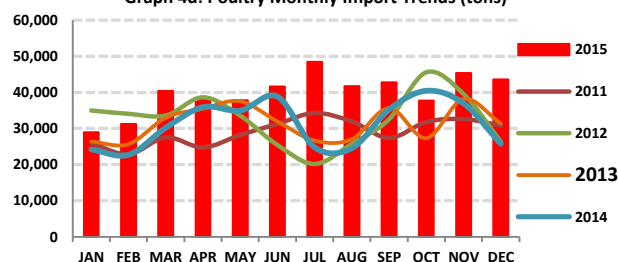
OUTLOOK

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.

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



Graph 4d: Poultry Monthly Import Trends (tons)



Source: SARS, Own Calculations; *Excluding BNLS

Producer prices for selected livestock commodities 29 January 2016	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	35.27	55.83	24.22	22.64
Open market: Class C / Baconer / Frozen whole birds(R/kg)	28.74	42.15	22.97	22.17
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	35.73	54.66	23.10	17.86
Import parity price (R/kg)	33.83	34.34	29.93	16.61
Weaner Calves / Feeder Lambs (R/kg)	18.40	25.67		

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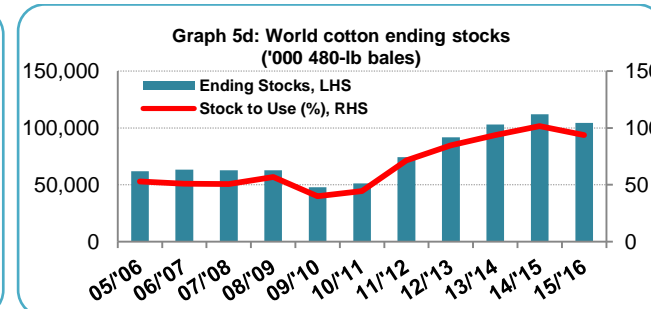
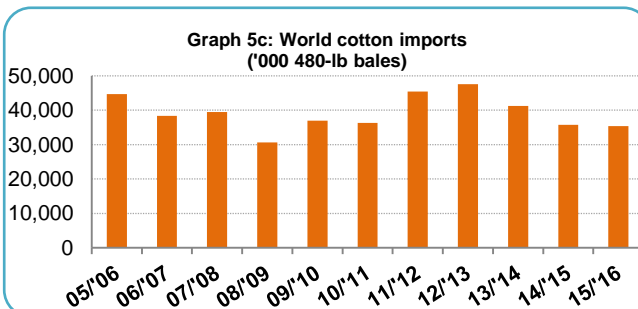
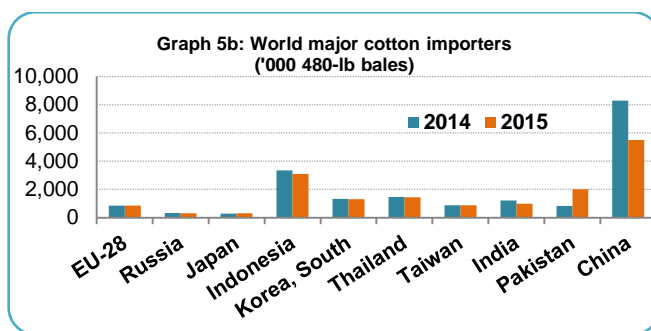
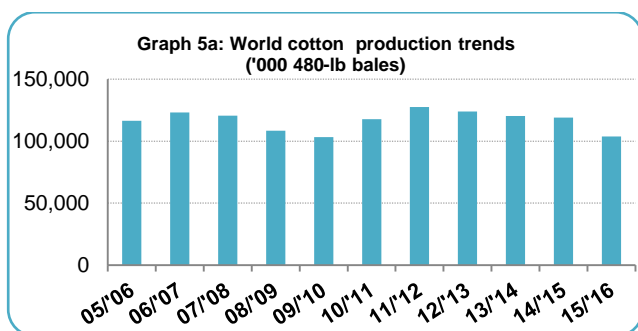
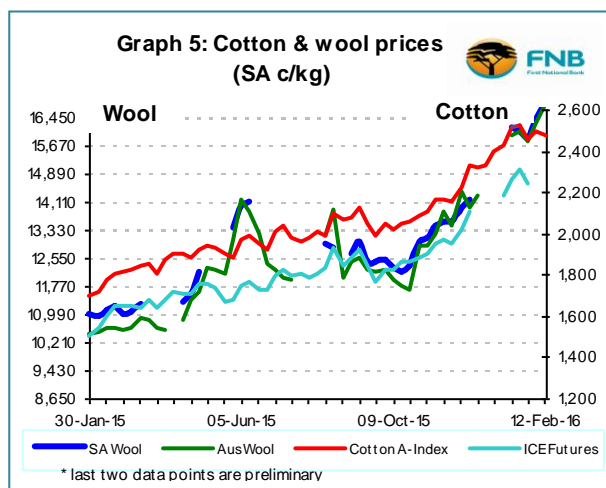
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Wool and cotton market trends (Graph 5)

International:

- The cotton A index eased slightly on continued weakness in the equity market and uncertainties about China's cotton reserve policy.
- It is rumoured that China might resume auctioning its reserves, with an estimated 9.2m bales expected to be on the market. Pricing is expected to be market driven based on an index formula. However there are uncertainties around whether these stocks will be available to the export market.
- Nonetheless, the steady recoveries in the crude oil market helped limit overall losses.
- Cotton prices were down 0.7% w/w but still 2% higher y/y settling at US68.28 cents/lb.
- In the futures markets, prices weakened across the board with the March contract down 2% over the week, settling at US61.60 cents/lb, while the May contract was down 2.2% w/w at US61.18 cents/lb.



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

- Wool market: Prices weakened in the Australian market due to the stronger Australian dollar. This saw the weekly AWEX Eastern Market Indicator (EMI) finishing down by almost 2% w/w at AU\$13.70 per kg clean wool. Sales reached 86.5% of 45,434 bales offered.

Domestic:

- The Cape Wools Merino indicator posted modest losses on spill over weakness from the Australian market. The indicator was however still up 45% compared to last year at R158.90 per kg (clean), at this level, the indicator was 23% and 18% higher compared to the opening sale and the season to date average respectively.
- Major wool buyers were G Modiano SA with 3,729 bales (33.5%), Standard Wool SA with 2,938 bales (26.4%), Lempriere SA 2,244 bales (20.2%), and Stucken & Co with 1,075 bales (9.7%).

Fibre market prices 29 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)	158.90	147.66		
19µ long length wool (R/kg)	169.99	165.65	13.77	13.62
21µ long length wool (R/kg)	159.78	158.62	13.15	13.00
23µ long length wool (R/kg)	-	154.23	12.35	12.20

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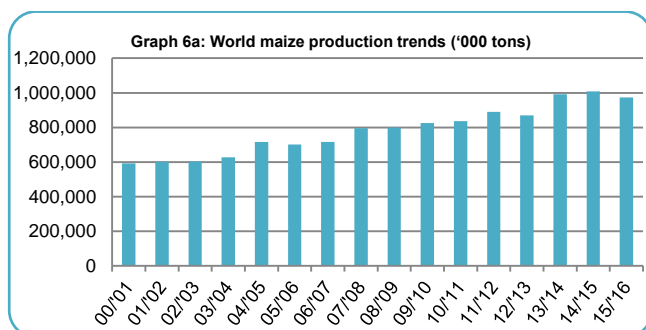
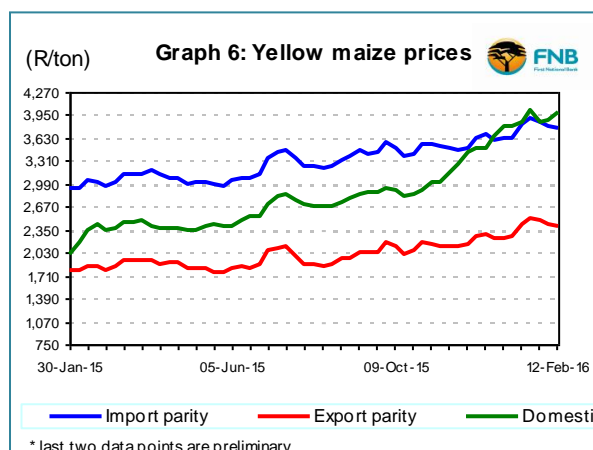
Fibre market prices 29 January 2016	SA derived Cotton (R/kg)	New York A-Index (US\$/kg)	Cotton Futures May-16 (US\$/kg)	Cotton Futures Jul-16 (US\$/kg)
Cotton Prices (R/kg)	24.55	1.51	1.37	1.37

Cotton Futures - InterContinental Exchange (ICE);

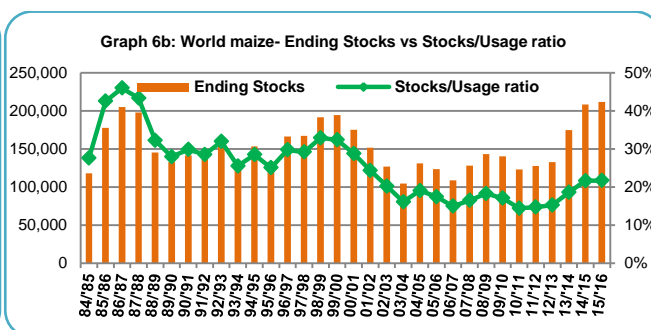
Yellow maize market (Graph 6)

International:

- Tight world output estimates as well as the recovery in the crude oil price helped limit losses on the international market.
- World stocks however remain abundant, amidst record crop expectations of other feed grains. This will continue to exert pressure on the market in the short to medium term.
- World production is estimated to range between 959.5m tons and 967.9m tons, slightly lower than the 1 billion 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



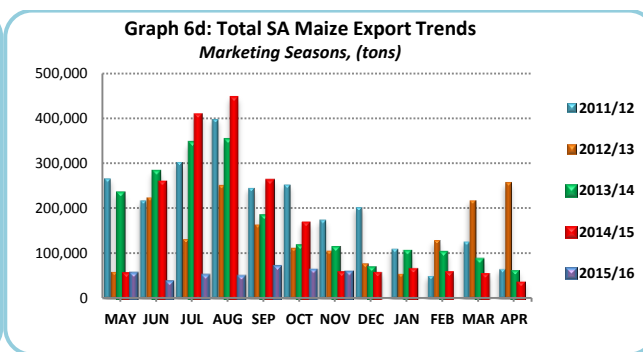
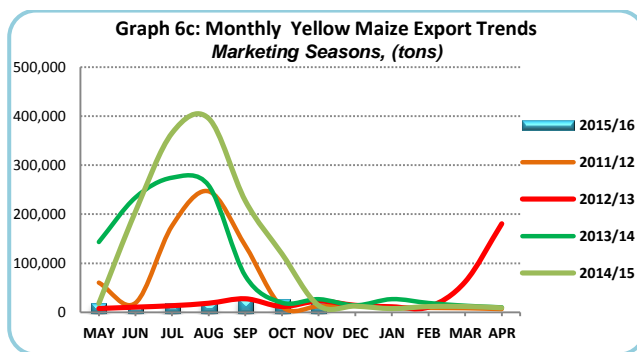
Domestic:

- Prices lost around R181/ton over the week as production estimates came in slightly higher than market expectations.
- The CEC released a bullish report, estimating the national crop at 7.4m tons, well above market expectations of 5.5 and 6.1m tons. This saw futures prices easing down across the board. Yellow maize estimates came in at 4.1m tons, down 20% y/y on decreased plantings and expected poorer yields.
- In terms of imports, market expectations were lowered from 5m tons to 3m tons.
- Weekly yellow maize prices averaged R3, 839 per ton which is still 90% higher y/y.
- Exports for the week ended 29th January 2016 were pegged at 3,435 tons, all destined for the neighbouring countries.
- Imports came in at 62,111 tons, with 62% sourced from Paraguay and the rest from Brazil. Cumulative year to date figure is at 798,604 tons.

OUTLOOK

Prices are expected to continue to trend on the upside at historical levels due to supply shortages amidst a bleak economic outlook. Production conditions are expected to improve slightly given recent showers. However, more rain is needed in the next few weeks as the crop is in a critical stage of development.

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Source: SAGIS,

Yellow Maize Futures 29 December 2015	Mar-16	May-16	Jul-16	Sep-16	Dec-16
CBOT (\$/t)	146.57	148.38	150.27	152.08	154.92
JSE (R/t)	3,569	3,515	3,552	3,587	-
CHICAGO CORN (R/t)	2,329	2,397	2,446	-	-

Calculated Yellow Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
May-16			Jul-16			Sep-16		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
3,600	416	385	3,560	439	394	3,600	434	386
3,560	393	402	3,520	416	411	3,560	411	403
3,520	372	421	3,480	394	429	3,520	389	421

White maize market trends (Graph 7)

International:

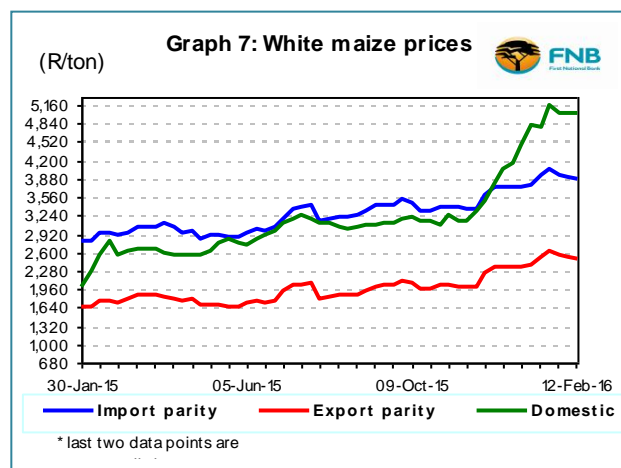
- Prices moved sideways mainly supported by good export demand, however news of improved supply estimates in the Southern African region exerted downward pressure on the market.
- Weekly average white maize prices came in at US\$155 per ton, up 5% y/y.

Domestic:

- Improved crop estimates set a bearish tone over the week.
- Prices were down 3% from last week, averaging R5,031 per ton, which is three times the level seen last year.
- Exports for the week ended 29th January 2016 were pegged at 9,766 tons, with the cumulative season to date reaching 336,642 tons, all destined to neighbouring countries.
- Imports for the week came in at 2,932 all sourced from Zambia. The cumulative year to date imports stood at 71,559 tons.

OUTLOOK

Prices are expected to continue to trend on the upside at historical levels due to supply shortages amidst a bleak economic outlook. Production conditions are expected to improve slightly given recent showers. However, more rain is needed in the next few weeks as the crop is in a critical stage of development.



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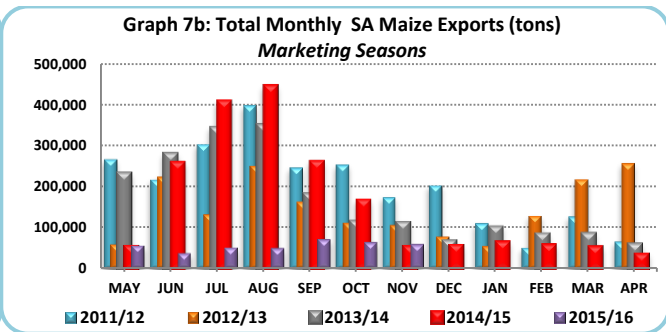
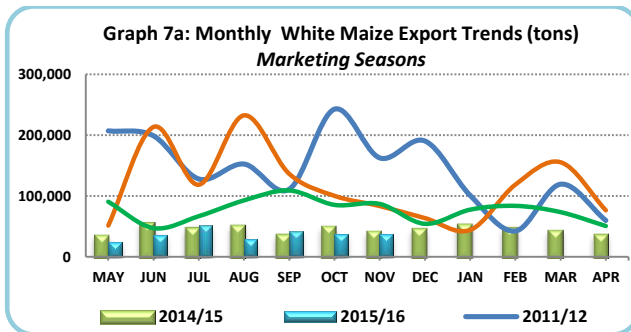
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White Maize Futures 29 December 2015	Mar-16	May-16	Jul-16	Sep-16	Sep-16			
JSE (R/t) WM ₁	4,880	4,763	4,780	4,780	4,610			
Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
May-16			Jul-16			Sep-16		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
4,920	656	616	4,800	670	633	4,820	594	554
4,880	633	633	4,760	647	650	4,780	571	571
4,840	610	650	4,720	625	668	4,740	549	589

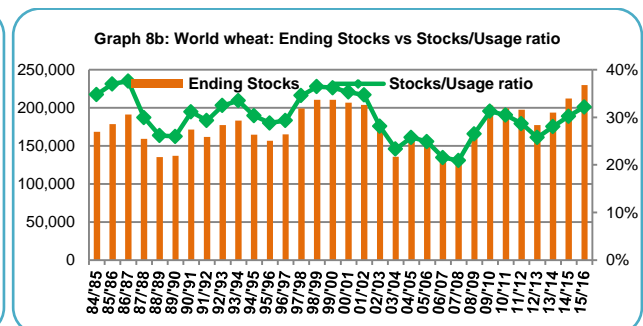
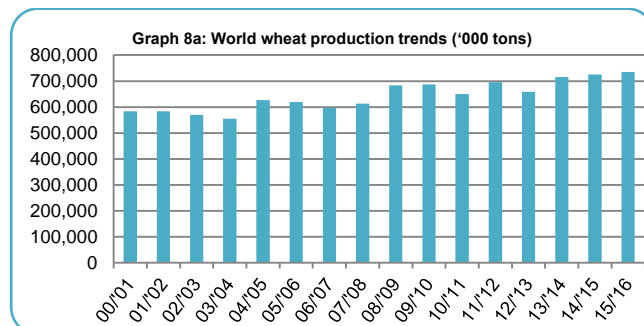
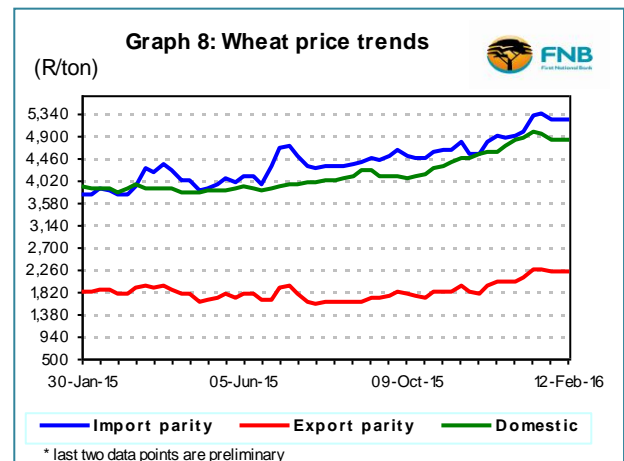


Source: SAGIS;

Wheat market trends (Graph 8)

International:

- Prices continued to trend sideways under pressure due to a record crop.
- Uncertainties revolving around Russia's export policies somewhat helped lift prices. The country is reportedly considering removing the export tax on wheat and instead creating a new tax for barley and maize.
- This was however offset by improved production conditions in the US plains where beneficial showers covered most of the winter wheat regions.
- Meanwhile, the stronger US\$ continues to weaken export demand for US wheat. Export sales were estimated at 294,200 tons, in line with market expectations and down 19% w/w.
- In other areas of the world, Egypt has reportedly rejected a French cargo of wheat due to ergot contamination. The country has a zero tolerance for ergot. However there are appeals for a 0.5% allowable ergot level.
- Argentina has embarked on an aggressive marketing drive, taking advantage of the uncompetitive US wheat. The country has exported some wheat to South Korea for the first time in nine years.



Source: USDA, PSD

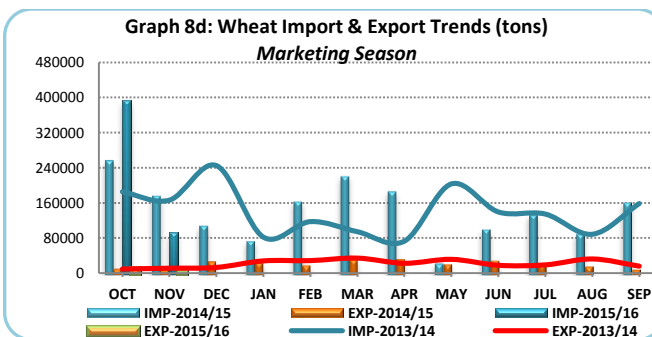
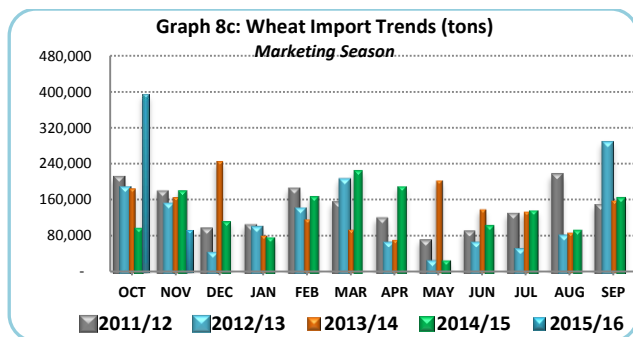
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Domestic:

- Wheat prices weakened slightly on spill over weakness from the maize market and slight gain in the Rand/ US dollar exchange rate.
- Weekly wheat prices were down 2% w/w but up 23% y/y at R4,814 per ton.
- Imports for the week ended 29nd of January 2016 came in at 49,605 tons, mainly sourced from Germany. Cumulative year to date import for the 2015/16 season is at 676,313 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 boast moisture levels which will be beneficial for the next wheat crop during winter.



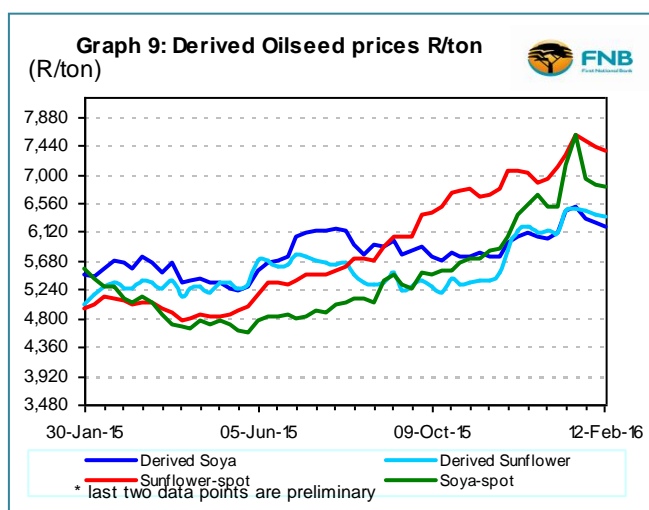
Source: SAGIS;

Wheat Futures 29 December 2015	Mar-16	May-16	Jul-16	Sep-16	Dec-16			
KCBT (\$/t)	173.43	180.85	180.85	185.78	192.98			
JSE (R/t)	4,802	4,886	4,892	-	-			
Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
May-16			Jul-16			Sep-16		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
4,920	353	319	4,940	4,920	353	-	-	-
4,880	331	337	4,900	4,880	331	-	-	-
4,840	310	356	4,860	4,840	310	-	-	-

Oilseed market trends (Graph 9)

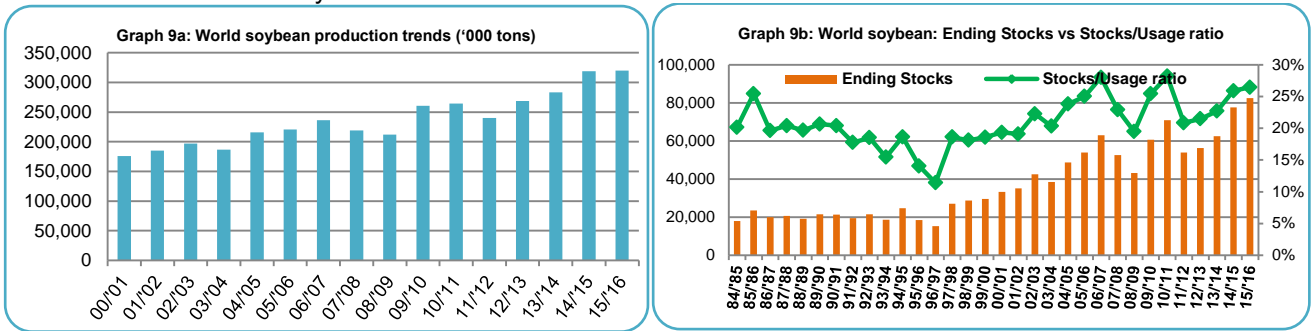
International:

- Prices maintained a sideways trend on supply pressure, however strong purchases for domestic crushing helped limit losses.
- Reports of cancellations of US soybean purchases by Chinese buyers added some pressure on the market.
- Nonetheless, China's import demand is projected up 2.5% y/y despite the bleak economic outlook. This is mainly on the back of a 1m ton decrease in production as farmers had dedicated most of the plantings to maize, taking advantage of the government support programme.
- In India, imports of edible oils are expected to increase by 16% to a record of 16 million tons.



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- The IGC increased world soybean output by 1m tons to 322m tons, up by 1m tons y/y. 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.



Source: USDA, PSD

Domestic:

- The Bullish preliminary crop estimate figures saw prices easing over the week, however still significantly higher compared to last year.
- Overall the national soybean crop estimate came in at 768,560 tons, down 27% y/y. The sunflower crop was pegged at 622,000 tons, down 6% y/y with expanded plantings offsetting the possible yield losses.
- Soybean prices averaged R6,922/ton, down 9% w/w but up 25% y/y.
- Sunflower prices were down 1% w/w at R7,494 per ton, which is 51% higher y/y.

OUTLOOK

It remains a weather market going forward as the end of the growing season approaches 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.

Oilseeds Futures 29 December 2015	Mar-16	May-16	Jul-16	Sep-16	Dec-16			
CBOT Soybeans (US \$/t)	324.15	324.96	327.02	327.24	-			
CBOT Soya oil (US c/lb)	30.90	31.10	31.30	31.40	31.50			
CBOT Soya cake meal (US\$/t)	300.27	302.47	304.90	307.10	308.10			
JSE Sunflower seed (R/t)	7,680	7,075	6,795	-	-			
JSE Soybean seed (R/t)	6,810	6,430	6,510	-	-			
Calculated Sunflower Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
May-16			Jul-16			Sep-16		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
7,120	751	706	6,840	792	747	6,900	847	797
7,080	728	723	6,800	770	765	6,860	824	814
7,040	706	741	6,760	748	783	6,820	802	832

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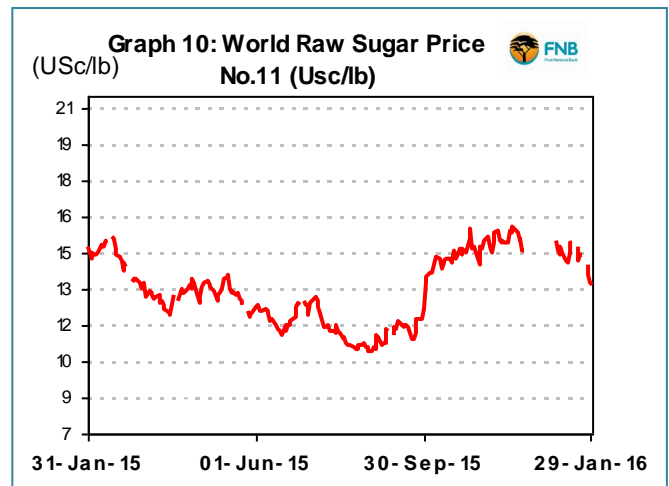
Sugar market trends (Graph 15)

International:

- Sugar prices dropped 7% w/w on the back of a weaker Brazilian Real and general weakness in demand.
- The slight recoveries in the oil market however helped limit losses as stocks of ethanol in the USA are on the rise.
- Raw sugar prices averaged US13.50 cents/lb, down 7% w/w and 14% y/y.
- Futures were down across the board with sugar for May-16 delivery closing at US12.83 cents/lb down 9% w/w. Sugar for May-16 delivery fell 8% w/w at US12.88 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.



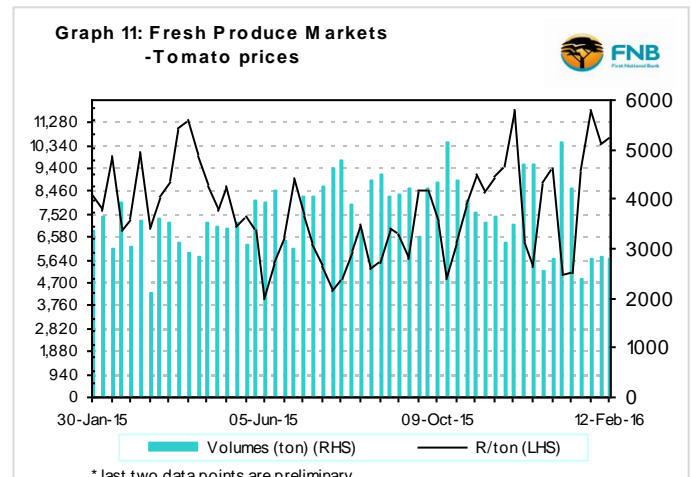
ICE Sugar Futures 29 December 2015	Mar-16	May-16	Jul-16	Oct-16	Mar-17
Sugar No.11 (US c/lb)	12.88	12.9	13.17	13.83	13.65
% Change w/w	-9.1%	-7.5%	-6.0%	-4.1%	-3.8%

Vegetable Market Trends (Graphs 11 to 15)

Tomatoes

Tomato prices rallied on supply tightness and strong month end demand. The average weekly tomato prices was up 26% w/w and closed at R11,773 per ton, which is 41% higher y/y. Volumes of tomatoes traded reached 2,812 tons, up 17% w/w but down 17% y/y.

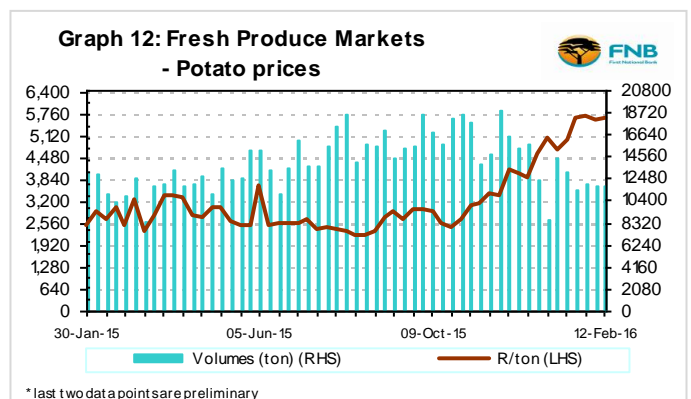
Prices are expected to ease slightly but remaining stronger levels y/y due to moderation in supplies.



Potatoes

Potato prices edged higher supported by good uptake across markets. Weekly potato prices closed at R5,703 per ton, up 1% w/w and 126% higher than last year. Volumes of potatoes traded came in at 11,940 tons, up 5% w/w but down 7% y/y.

It is expected that prices will ease slightly in the short to medium term on moderation in demand.



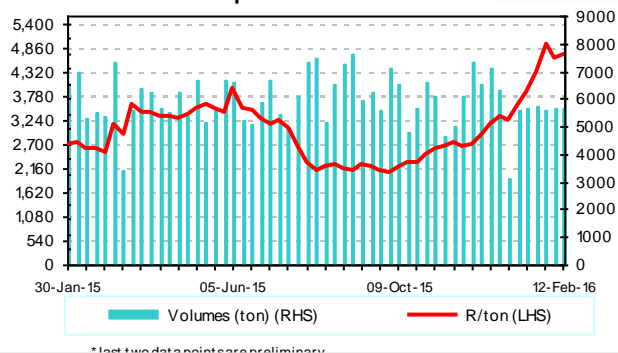
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Onions

The onion market saw further gains on lower deliveries. Weekly onion prices increased by 14% w/w and 85% y/y, closing at R4,960 per ton. Volumes of onions were slightly lower w/w and y/y at 5,607 tons.

The short term price outlook remains bullish on the back of moderation in supplies.

Graph 13: Fresh Produce Markets - Onion prices

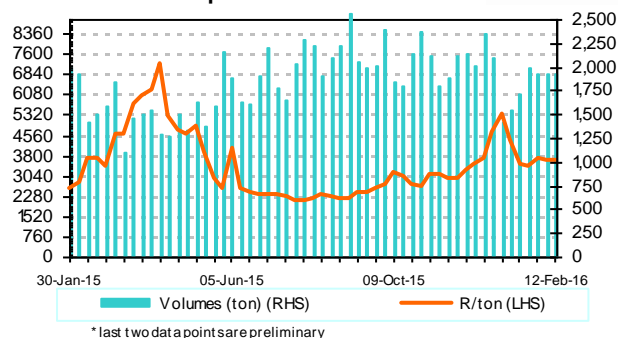


Carrots

Carrot prices moved modestly higher on tight supplies across markets. Weekly carrot prices closed at R3,681 per kg, up 7% w/w and 42% y/y. Volumes of carrots traded came in at 1,923 tons, down 4% w/w and 3% y/y.

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

Graph 14: Fresh Produce Markets - Carrot prices

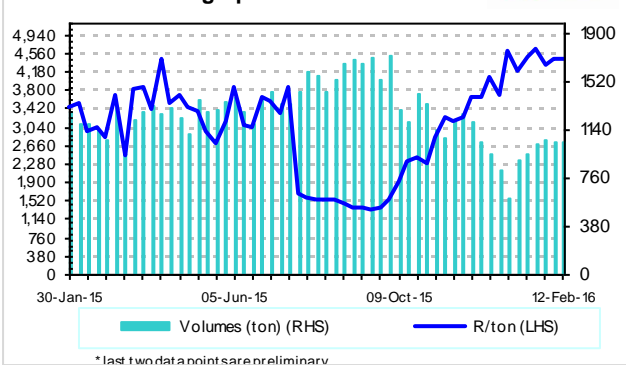


Cabbages

Cabbage prices posted moderate losses after weeks of good gains due to higher volumes across markets. Weekly cabbage prices closed R4,328 per kg, down 7% w/w but up 27% y/y. Volumes of cabbages traded were up 3% w/w but down 17% y/y at 1,058 ton tons.

It is however expected that prices will trend sideways but still at elevated levels.

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 29 December 2015	Average Price (R/t)			Total Volume (t)		
		w/w	y/y		w/w	y/y
Tomato	11,773	26%	41%	2812	17%	-17%
Potato	5,703	1%	126%	11940	5%	-9.6%
Onion	4,960	14%	85%	5607	-2%	-14%
Carrot	3,681	7%	42%	1923	-4%	-3%
Cabbage	4,328	-7%	27%	1058	3%	-17%

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

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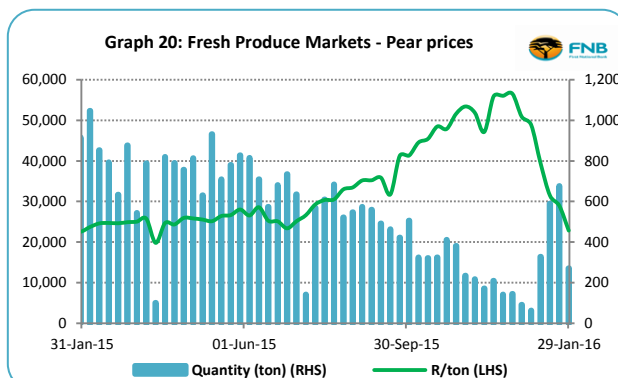
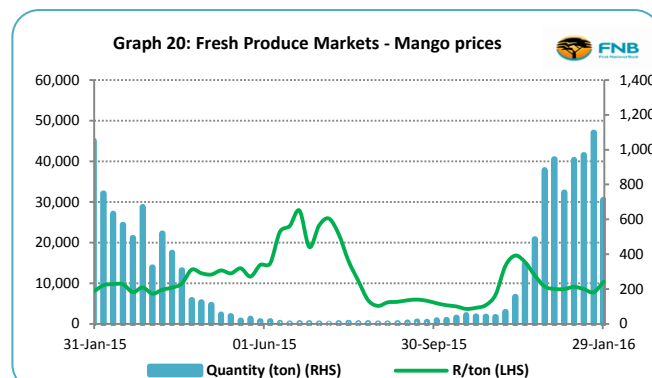
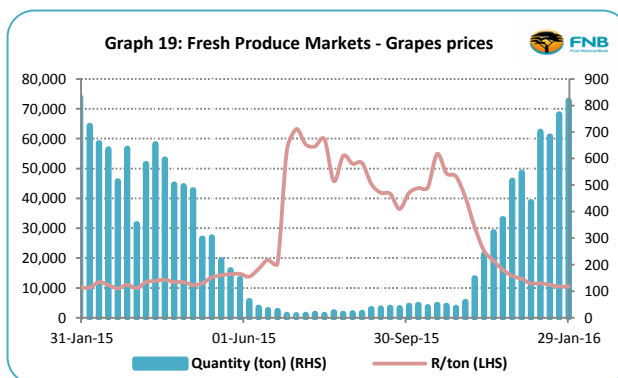
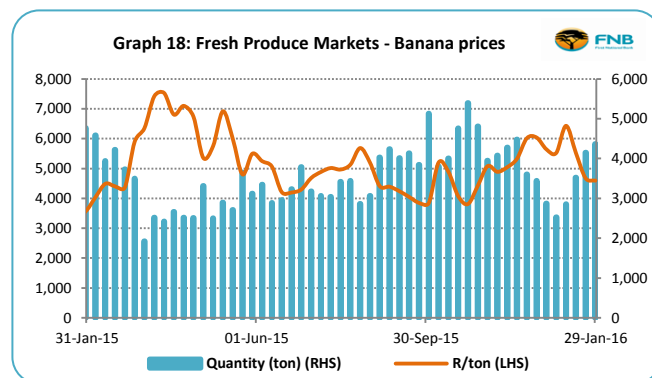
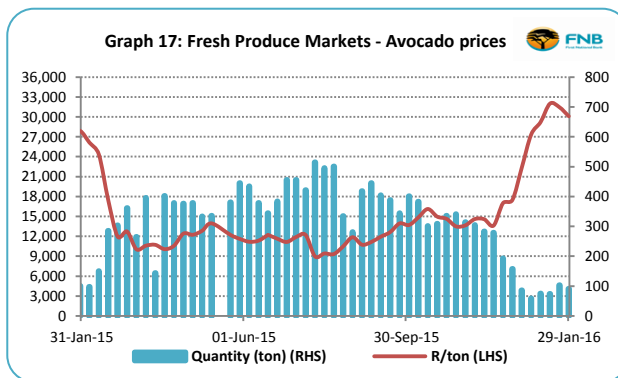
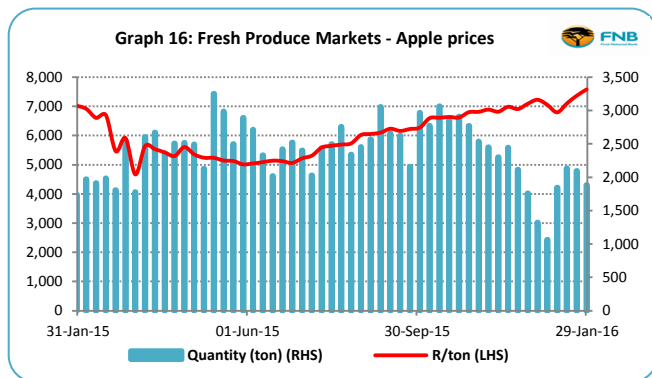
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The Fruit Market Trends – Major Fresh Produce Markets in SA (Graphs 16 to 20)



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

Week ending 29 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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