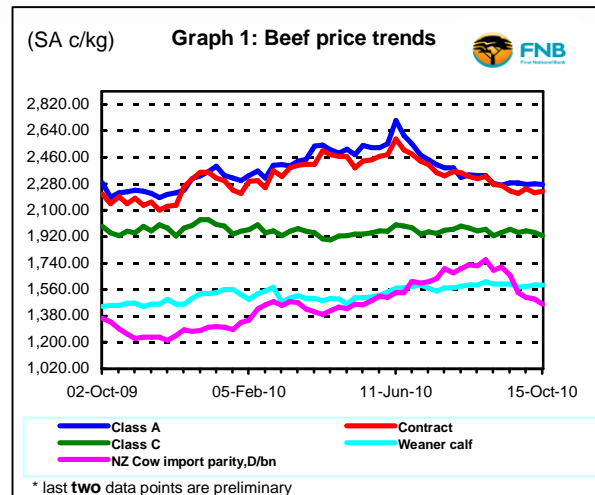


## Beef market trends (Graph 1)

- International:** US domestic lean manufacturing beef prices dropped sharply on moderate to heavy supplies and limited demand. Market activity on imported beef was reportedly slow with prices mostly lower under pressure due to the weaker domestic market. Boxed beef cut-out prices, an indicator of domestic beef at wholesale level, continued to trend downwards due to moderate demand and moderate to heavy supplies. In Australia, export cattle prices ended higher on tight supplies due to rainy weather conditions in producing areas.
- Domestic:** Beef prices ended firmer across most cuts due to improved uptake. Weekly Class A, Class C and Contract Class A beef closed at R22.75/kg, R19.59/kg and R22.45/kg respectively. Weaner calf prices moved marginally higher on limited supplies on markets. Weekly weaner calf prices closed at R15.80/kg, up 0.4% w/w and 9% y/y.

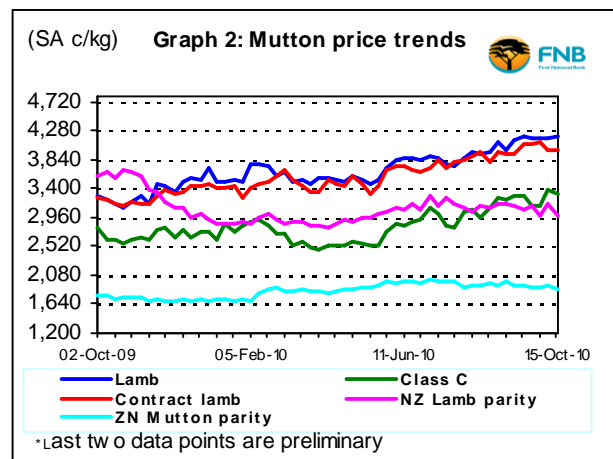


## OUTLOOK

Beef prices are expected to move sideways with further upward potential in the medium due to the seasonal increase in demand.

## Mutton market trends (Graph 2)

- International:** US domestic slaughter lambs improved slightly while ewe prices were steady compared to the previous week. **Feeder lambs rose sharply compared to the** previous week. In Australia, lamb prices extended their weaker trend on improved supplies. Quality of lambs was reportedly good as a result of better seasonal production conditions. Mutton prices trended lower under pressure due to a significant increase in supplies.
- Domestic:** Domestic lamb and mutton prices strengthened slightly due to good month end demand. Weekly Class A lamb, Class C and Class A contract lamb prices closed at R41.75/kg, R31.35/kg and R40.89/kg respectively. Feeder lamb prices maintained upward trend due to tight supplies across most markets. Weekly feeder lamb prices closed at R20.67/kg live weight, up 1.6% w/w and 33% y/y.

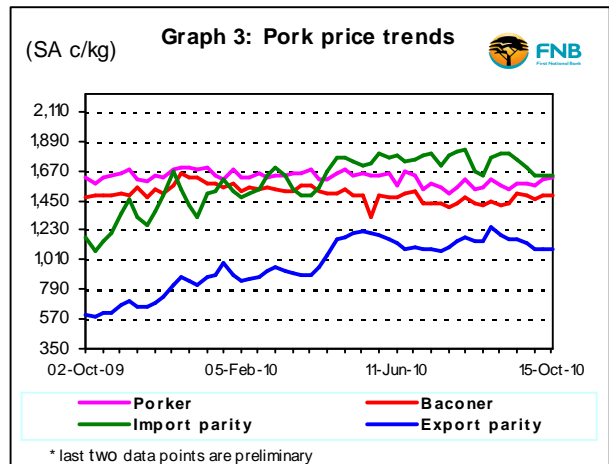


## OUTLOOK

Prices will maintain a sideways to firmer trend in the short term, and will retain upward potential well into the festive season.

**Pork market trends (Graph 3)**

- **International:** US pork prices ended mixed with modest gains in the rib and loin complex on good domestic and export demand. Hams and carcass prices trended lower under pressure due to improved volumes. Weekly ham and carcass prices were down 2% and 3% w/w respectively, but still 67% and 64% higher y/y.
- **Domestic:** Weekly porker and baconer prices closed at R15.54/kg and R14.52/kg respectively. Import parity prices declined by 3% w/w due to the combined influence of a stronger Rand and lower international prices. Pork imports increased by 1.6% m/m during August and came in at 1,353 tons, but down 28% y/y. This brings the total number for the year to date at 16,921 tons which is 12% lower compared to the corresponding period last year. Import destinations: a total of 127.64 tons were from Belgium (9%), Canada with 348.71t (26%), France with 119.99t(9%), Germany with 568.3t (42%), Spain with 123.74t (9%), and others 64.50t (5%).

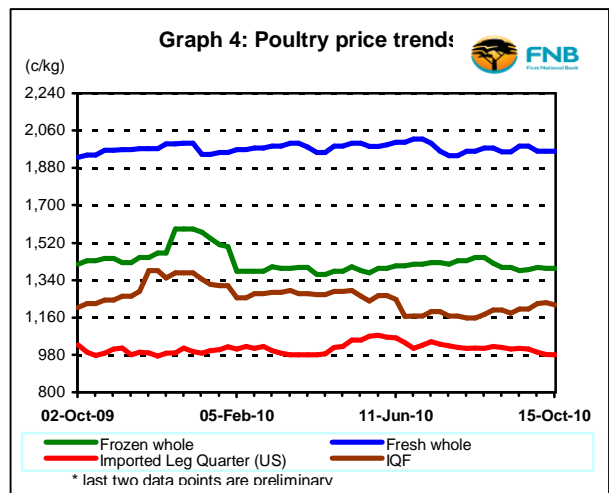


**OUTLOOK**

Prices are expected to move sideways in the short term, strengthening slightly in the medium term due to the seasonal increase in demand.

**Poultry market trends (Graph 4)**

- **International:** US domestic prices were down across the board on moderate to heavy volumes. Retail and food service demand was reportedly light to moderate approaching the weekend. Market activity was reportedly slow to active and mostly slow to moderate for portions. Weekly US broiler egg sets and chick placements for the week ending 25-September were reported up 5% and 3% y/y respectively. The estimated number of broilers that will be available for marketing during the first week of November were pegged at 155m compared to 156.6m head during the previous week.
- **Domestic:** Weekly prices extended gains on slight improvement in demand and tight supplies. Medium fresh whole birds were the exception, closing marginally lower at R 19.60/kg. Frozen whole birds and IQF prices ended higher at R14.00/kg and R12.25/kg live weight. Further currency strength will exert downward pressure on domestic prices as it makes imports cheaper. On the feeding side, prices for energy and protein components are still relatively low and will have a positive impact on producer margins. However, the continued recovery in maize prices places a damper on this outlook in the longer term.



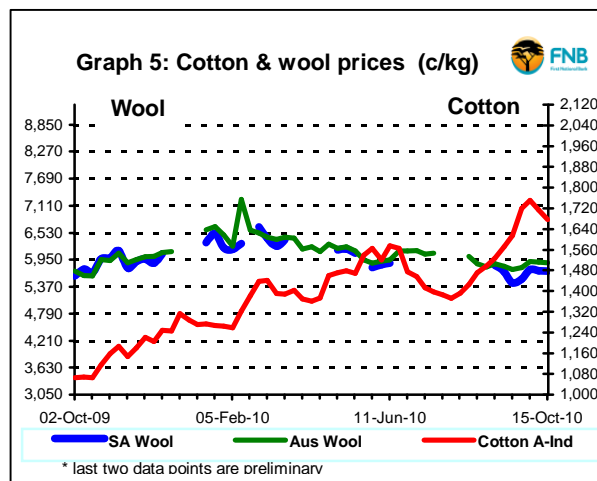
**OUTLOOK**

Domestic prices are expected to firm slightly in the medium term due to the seasonal increase in demand. However, the stronger Rand/US dollar exchange rate may limit further advances as imports become cheaper.

Producer prices for selected livestock commodities 01 October 2010	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	22.75	41.75	15.54	19.60
Open market: Class C / Baconer / Frozen whole birds(R/kg)	19.59	31.35	14.03	14.00
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	22.45	40.89	14.52	12.25
Import parity price (R/kg)	15.23	18.98	16.57	9.99
Weaner Calves / Feeder Lambs (R/kg)	15.80	20.67		

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

- International:** Cotton prices posted modest gains on tight supplies. Weekly prices were up 3.1% w/w and 77% y/y, closing at US114c/lb. Cotton futures on CME however eased lower across the board: Dec-10 was down 1.9% w/w at US98.02c/lb, Mar-11 was down 1.9% w/w at US96.83c/lb, May-11 was down 1.7% w/w at US96.63c/lb, Jul-11 was down 1.9% w/w at US95.95c/lb. Wool: In Australia, the wool market bottomed out and increased despite a stronger Australian dollar due to improved uptake on markets. The weekly market indicator (EMI) closed at AU\$8.75/kg clean wool, up 1% w/w.
- Domestic:** Wool prices extended their rally despite a stronger Rand due to improved uptake. The currency appreciated to its best level in two and half years and traded at R6.98 to the US dollar. Weekly market indicator (Cape Wools Merino) gained 3.6% w/w at R57.33/kg clean wool, up 1.1% compared to the current season's average. Sales reached 98% of the 6,759 bales offered. Meanwhile, global supplies are still tight, an upside factor for the market. However the strength of the currency will continue to influence direction. Major buyers were G Modiano SA with 2,460 bales (36.4%), Standard Wool SA with 1,379 bales (20.4%), Lempriere SA with 1,050 bales (15.5%), Segard Masurel SA with 900 bales (13.3%), Stucken & Co with 740 bales (11%) and New England Wool SA with 115 bales 1.7%.

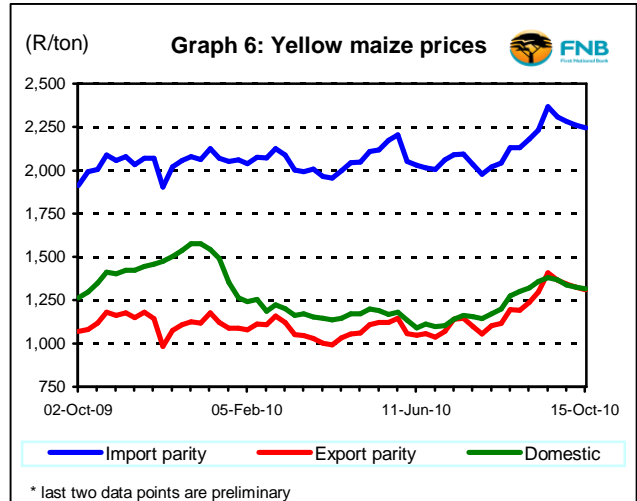


Fibre market prices 01 October 2010	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Apr-11 (AU\$/kg)	Australian futures Jun-11 (AU\$/kg)
Wool market indicator (R/kg)	57.33	59.11		
19µ long length wool (R/kg)	71.70	69.96	9.90	9.85
21µ long length wool (R/kg)	58.53	60.07	8.70	8.65
23µ long length wool (R/kg)	-	56.58	8.10	8.00
	<b>SA derived Cotton (R/kg)</b>	<b>New York A-Index (US\$/kg)</b>	<b>New York future Dec-10 (US\$/kg)</b>	<b>New York future Mar-11 (US\$/kg)</b>
Cotton Prices (R/kg)	17.51	2.51	2.16	2.13



**Yellow maize market (Graph 6)**

- **International:** US yellow maize prices eased lower due to harvest pressure and a bearish USDA stocks report. USDA Grain Stocks report pegged maize stocks at 43.4m tons, 7.6m above expectations. Weather conditions were favourable and increased the pace of harvesting which weighed heavily on the market. Weekly US export sales came in above expectations at 925,900 tons.
- **Domestic:** Local yellow maize prices extended losses under pressure from the Rand strength and weakness on international market. Weekly yellow maize prices closed at R1,337/ton, down 2.2% w/w but up 6% y/y. Yellow maize import parity closed down 1.2% w/w, due to the combination of a stronger Rand and lower international prices. Weekly yellow maize deliveries increased to 4.17m tons, slightly higher than the previous week. Yellow maize export came in at 94,235 tons during the previous week, bringing total exports for the season to 347,398 tons. Weekly yellow maize Safex futures were down across the board: Dec-10 was down 3.4% w/w (-R47/t), Mar-11 was down 3.80% w/w (-R54/t), May-11 was down 3.9% w/w (-R56/t), Jul-11 was down 3.7% w/w (-R54/t)..



**OUTLOOK**

.Prices are expected ease somewhat in the short term but with upward potential towards planting time.

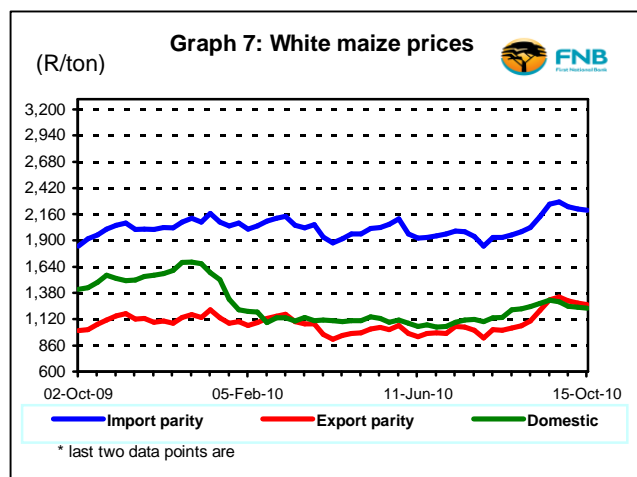
Yellow Maize Futures 01 October 2010	Dec-10	Mar-11	May-11	Jul-11	Sep-11
CBOT (\$/t)	185.73	190.30	192.74	194.32	187.54
SAFEX (R/t)	1,343	1,368	1,402	1,402	-
CHICAGO CORN (R/t)	1,356	1,407	-	1,461	-

**Calculated Yellow Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)**

Dec-10			Mar-11			May-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
1,380	83	46	1,400	132	100	1,440	173	124
1,340	61	64	1,360	110	118	1,400	149	140
1,300	42	85	1,320	90	138	1,360	128	159

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

- **International:** As with yellow maize, US white maize prices eased lower due to favourable harvest weather and the bearish stocks outlook report. Improved export demand and a weaker US dollar limited further losses. Weekly prices were down 1.6% w/w but still 39 higher y/y.
- **Domestic:** White maize prices continued to weaken under pressure due to a stronger Rand and lower international prices. Weekly white maize prices declined by 3.3% w/w and closed at R1,248/ton, down 12% y/y. White maize import parity eased lower due to a stronger Rand and lower international prices. Weekly white maize deliveries to the country's silos increased to 7.14m tons, slightly higher w/w. Total maize deliveries to the country's silos increased to 11.31m tons.



White maize (WM) futures on Safex: Dec-10 was down 4.9% w/w (-R64/t), Mar-11 was down 4.6% w/w (-R62/t), May-11 was down 4.2% w/w (-R57/t), Jul-11 was down 4.1% w/w (-R57/t).

**OUTLOOK**

Prices are expected ease somewhat in the short term but with upward potential towards planting time.

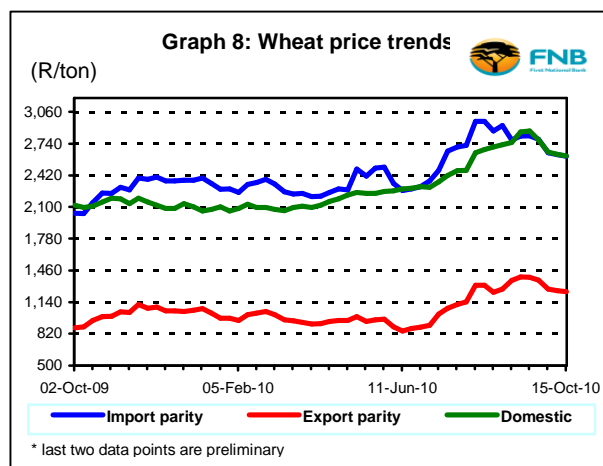
White Maize Futures 01 October 2010	Dec-10	Mar-11	May-11	Jul-11	Sep-11
SAFEX (R/t) WM <sub>1</sub>	1,252	1,287	1,313	1,340	-

Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Dec-10			Mar-11			May-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
1,300	88	40	1,320	126	93	1,360	154	107
1,260	64	56	1,280	104	111	1,320	131	124
1,220	45	77	1,240	84	131	1,280	109	142

**Wheat market trends (Graph 8)**

- International:** Wheat prices posted modest losses on improved production conditions and favourable planting weather in the US. The improved conditions for planting in Russia and good growing conditions in Australia and Argentina added to the weaker tone. Meanwhile, the US small grains production estimate for 2010/11 came in at 60.5m tons, down from 61.6m in the previous estimate. Quarterly stocks however came in above expectations at 66.9m tons..
- Domestic:** Domestic wheat prices continued to drift lower, tracking the downward trend on the international market and the appreciation of the Rand. Weekly wheat prices on Safex declined by 4.4% w/w and closed at R2,652/ton, but still 25% higher y/y. Wheat import parity prices (Randfontein) continued to weaken, closing down 4.8% w/w but up 28% y/y. Wheat futures ended lower across the board: Dec-10 closed down 3.7% w/w (-R102/t), Mar-11 was down 3.9% w/w (-R109/t), May-11 was down 4.3% w/w (-R124/t).



**OUTLOOK**

Prices are expected to remain under downward pressure in the short term due to renewed weakness on the international market together with a stronger currency (R/US\$).

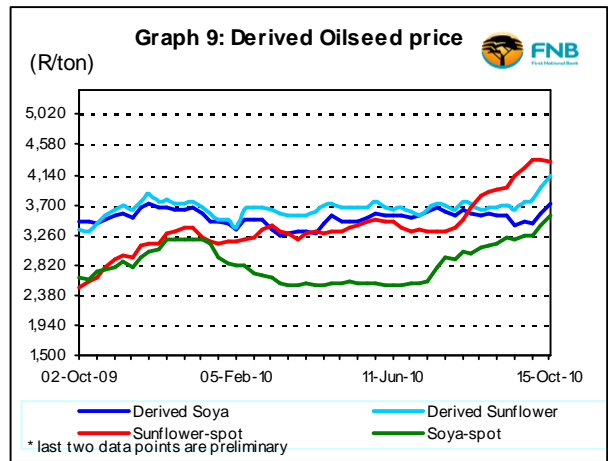
Wheat Futures 01 October 2010	Dec-10	Mar-11	May-11	Jul-11	Sep-11
KCBT (\$/t)	256.20	259.13	257.76	259.78	-
SAFEX (R/t)	2,628	2,695	2,728	-	-

Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Dec-10			Mar-11			May-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2,660	101	69	2,740	176	131	2,760	194	162
2,620	80	88	2,700	154	149	2,720	172	180
2,580	61	109	2,660	133	168	2,680	152	200

**Oilseed market trends (Graph 9)**

- **International:** US soybean prices ended firmer on good export demand. However seasonal harvest pressure and improved moisture in Brazil pressured the soybeans market. In the product soybean oil increased on reports that China would begin selling edible oils from its reserves to cool rising domestic prices.
- **Domestic:** Oilseed prices traded on Safex extended gains despite a stronger Rand. Soybean prices were up 0.2% w/w and 24% y/y, closing at R3,260/ ton. Weekly sunflower prices increased by 3.3% w/w and 75% y/y, closing at R4,367/ ton. The expected sunflower crop remained unchanged at 516,265 tons compared to the previous month, but soybean estimate was reduced by 4,750 tons to 560,950 tons. Weekly soybean futures on Safex: Dec-10 was almost unchanged w/w; Mar-11 closed up 2.8% w/w (+R85/t), May-11 was up 0.4% w/w (+R10/t). Sunflower futures on Safex: Dec-10 was up 3% w/w (+R130/t), May-11 was up 2.9% w/w (+R95/t), May-11 was up 2.9% w/w (+R95/t).



**OUTLOOK**

Prices are expected to trend a bit higher on spill over strength from the international market. However, the stronger Rand/US dollar exchange rate will continue to have a downward influence on the local market.

Oilseeds Futures 01 October 2010	Dec-10	Mar-11	May-11	Jul-11	Sep-11			
CBOT Soybeans (US \$/t)	-	394.99	396.17	397.71	388.53			
CBOT Soya oil (US c/lb)	43.83	44.35	44.45	44.57	44.69			
CBOT Soya cake meal (US \$/t)	289.90	294.30	295.50	296.70	288.60			
SAFEX Sunflower seed (R/t)	4,475	3,895	3,400	3,403	-			
SAFEX Soybean seed (R/t)	3,300	3,165	2,790	2,851	-			
<b>Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)</b>								
<b>Dec-10</b>			<b>Mar-11</b>			<b>May-11</b>		
<b>Ask</b>	<b>Put</b>	<b>Call</b>	<b>Ask</b>	<b>Put</b>	<b>Call</b>	<b>Ask</b>	<b>Put</b>	<b>Call</b>
4,520	232	187	4,040	414	269	3,440	345	305
4,480	210	205	4,000	390	285	3,400	323	323
4,440	190	225	3,960	366	301	3,360	301	341



**Vegetable market trends (Graph 10)**

• **Tomatoes**

Tomato prices decreased slightly due to increased supplies on markets. Prices declined by 3.7% w/w and 25.2% y/y, closing at R4,540/ton. Volumes traded reached 4,749 tons, up 35.5% w/w and 23.7% y/y. Prices are however expected to weaken slightly in the short term.

• **Potatoes**

Potato prices increased slightly due to good uptake on markets. Prices were up 1% w/w but were down 41.4% y/y, closing at R2,976/ton. Volumes traded increased by 38.2% w/w and 33.4% y/y reaching 14,062 tons. Prices are however expected to move sideways with some upside potential due to limited supplies.

• **Onions**

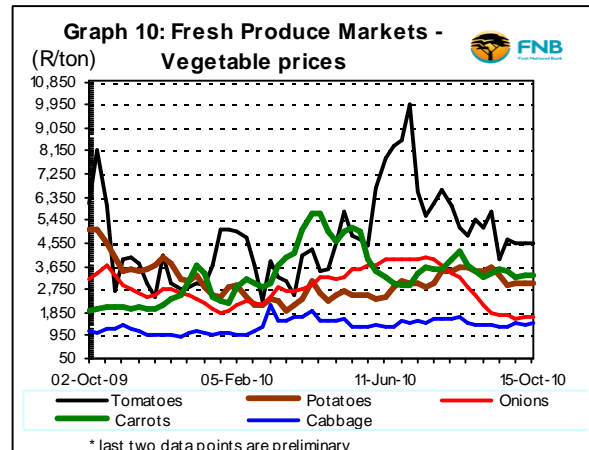
Onion prices decreased modestly due to increased supplies on markets. Prices declined to R1,614/ton, down 8.1% w/w and 49% y/y. Volumes traded increased by 41.4% w/w and by 18.9% y/y to 4,239 tons. Prices are however expected to ease somewhat in the short term with limited upside potential as supplies recover.

• **Carrots**

Carrot prices decreased modestly due to increased supplies on markets. Prices declined by 5.5% w/w but were up 68.9% y/y closing at R3,235/ton. Volumes traded reached 1,420 tons, up 31.7% w/w but down 20.8% y/y. Prices are expected to remain firm due to limited supplies on markets.

• **Cabbage**

Cabbage prices increased sharply due to good uptake on markets. Prices increased by 12.8% w/w and 27.3% y/y closing at R1,466/ton. Volumes traded reached 1,691 tons, up 25.4% w/w but down 10.2% y/y. Prices are expected to improve somewhat in the short term.



<b>Vegetable prices: Fresh Produce Markets. (Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)</b>						
<b>Week ending 01 October 2010</b>	<b>Average Price (R/t)</b>	<b>w/w</b>	<b>y/y</b>	<b>Total Volume (t)</b>	<b>w/w</b>	<b>y/y</b>
Tomato	4,540	-3.7%	-25.2%	4749	35.5%	23.7%
Potato	2,976	1.0%	-41.4%	14062	38.2%	33.4%
Onion	1,614	-8.1%	-49.0%	5995	41.4%	18.9%
Carrot	3,235	-5.5%	68.9%	1420	31.7%	-20.8%
Cabbage	1,466	12.8%	27.3%	1691	25.4%	-10.2%

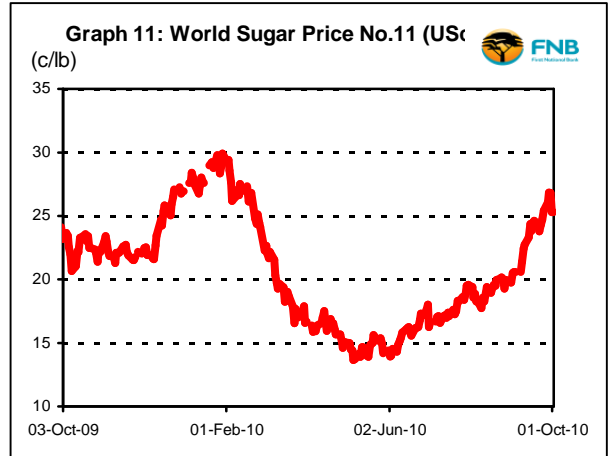
\* Daily prices also available at <https://www.fnbagricomms.co.za>



How can we help you?

**Sugar market trends (Graph 11)**

- International: World sugar prices continued to increase underpinned by strong demand and tight global supplies. Continued port delays in Brazil supported the market. Weekly world sugar prices closed at US26.26c/lb, up 7.2% w/w. Weekly ICE sugar futures however eased slightly lower across the board: Mar-11 was down 4.3% w/w at US23.36c/lb, May-11 was down 4.6% at US21.56c/lb, Jul-11 was down 5.1% w/w US19.70c/lb.
- Domestic: The monthly 2010/11 RV (Recoverable Value) price, a measure of the value of the sugar and molasses that will be recovered from the sugar cane delivered by the individual grower, advanced by 0.8% in August to R2,569.55/ton. The increase is attributable to the drop of 66,632 ton in production and the higher weighted average world price (US20.31c/lb vs. US19.86c/lb) and the weaker weighted average Rand (R7.53 vs. R7.47/US\$) according to the SA Cane growers. The currency strengthened significantly since the beginning of September and remained at its best below R7.00 to the US dollar during the week.



ICE Sugar Futures 01 October 2010	Mar-11	May-11	Jul-11	Oct-11	Mar-12
Sugar No.11 (US c/lb)	23.36	21.56	19.70	18.61	17.91
% Change w/w	-4.3%	-4.6%	-5.1%	-5.5%	-5.1%

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