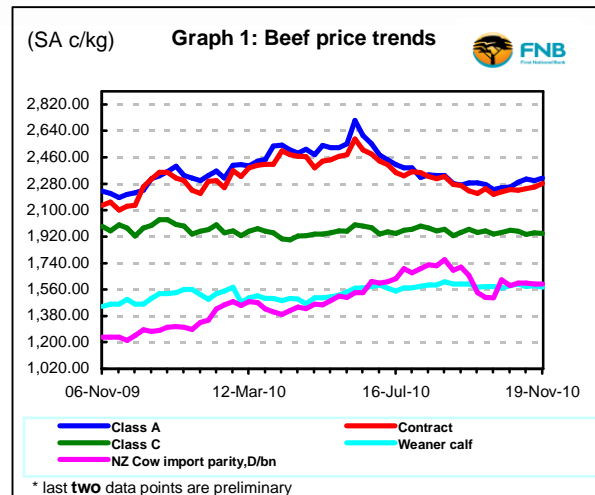


Beef market trends (Graph 1)

- International:** US domestic lean manufacturing beef prices maintained a firmer trend on moderate to good demand. Boxed beef cut-out prices, an indicator of domestic beef at wholesale level, eased lower on light to moderate demand and moderate to heavy supplies. CME feeder cattle index ended higher, up 0.2% w/w and 18.9% y/y. The estimated number of cattle slaughtered was pegged at 651,000. In the cattle market, calf prices were steady to higher on good demand from feedlots. Meanwhile, fed cattle numbers for October were reported up 3% y/y at 10.8m head. In Australia, cattle prices bottomed out and strengthened on the back of reduced supplies. Supplies were reported down 13% w/w which saw the Eastern Young Cattle Indicator (EYCI) rising 21% y/y.
- Domestic:** Beef prices ended mixed with slight gains in Class A beef. Class C was a bit softer at R19.36/kg, down 2.6% y/y. Weekly Class A carcass and Contract Class A beef closed at R23.13/kg and R22.45/kg respectively. Weekly weaner calf prices eased slightly lower and closed at R15.78/kg, down 1.1% w/w but still 9% higher y/y. Grazing conditions have not improved in many areas but good rains could raise the demand for weaners in the weeks ahead.

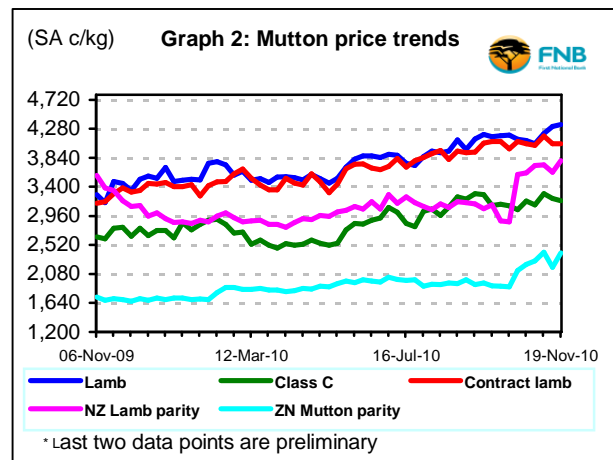


OUTLOOK

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

Mutton market trends (Graph 2)

- International:** US domestic slaughter lambs, ewes and feeder lambs ended firm to higher for the week. Sheep and lamb slaughtered were up 2.3% w/w at 45,000, but down 10% y/y. In Australia, lamb prices rose sharply on the back of reduced volumes as a result of rainy weather. Volumes were reported down 22% w/w. Meanwhile, Australian lamb exports were reported down 16% y/y in October at 13,789 tons (swt) with the Middle East remaining its largest market.
- Domestic:** Lamb and mutton prices were up across the board on strong demand across most markets. Weekly Class A lamb, Class C and Class A contract closed modestly higher at R42.11/kg (up 3.7% w/w and 28% y/y), R32.97/kg (up 5.5% w/w and 25% y/y) and R41.67/kg (up 3.3% w/w and 32% y/y) respectively. Feeder lamb prices ended higher on the back of better carcass prices. Weekly feeder lamb prices closed up 3.5% w/w and 25% y/y at R19.83/kg.



OUTLOOK

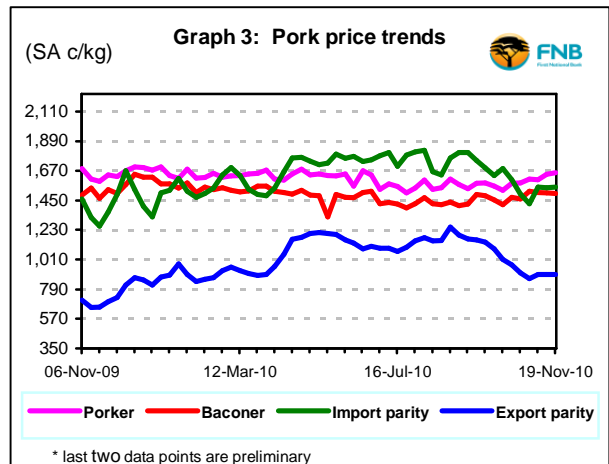
Lamb and mutton prices are still at their best levels and will retain upward potential well into the festive season.

Pork market trends (Graph 3)

- **International:** US pork prices were moderate to sharply higher on improved domestic and export demand. Loins were however the exception, closing down 1% w/w due to higher volumes and weak demand. Hams bottomed out and rose 12% w/w and 24% y/y on strong demand. Pork carcass cutout values were up 3.7% w/w and 30.3% y/y.
- **Domestic:** Local porker and baconer prices continued to trade sideways. Weekly prices closed at R16.05/kg and R15.08/kg respectively. Import parity prices bottomed out and closed sharply higher on the back of higher international prices. Weekly import parity prices were up 9% w/w and 6% y/y. Meanwhile, pork imports surged 17.5% m/m in September to 1,589 tons which is the highest since June. This is however down 10.5% compared to the same month last year. Imports have increased steadily since June, bringing the total for the year-to-September to 18,510 tons which is 5.6% higher y/y. The major suppliers were Germany (48.8%), Canada (31.6%), France (8.7%), Belgium (3.2%), Denmark (3.1%), Spain (1.6%), and others (3%).

OUTLOOK

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

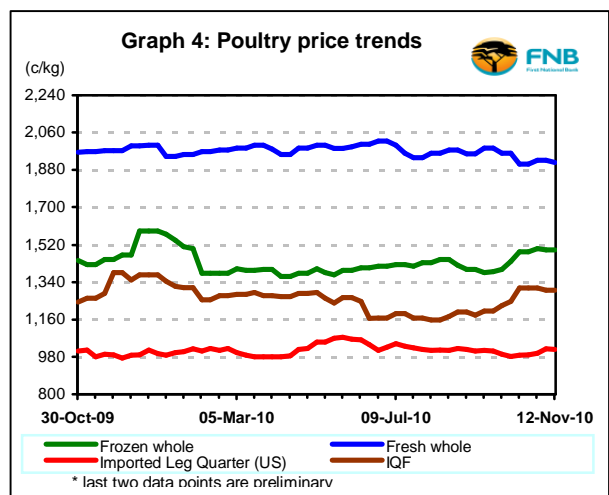


Poultry market trends (Graph 4)

- **International:** US domestic prices continued to trend lower on light to moderate volumes on markets. Demand at retail and food service was light to moderate ahead of the weekend. Movement in portion prices was light to moderate for late week trading. Weekly broiler egg sets and chick placements for the week ended 30 October were reported up 8% and 5% y/y respectively. The estimated number available for marketing during the week ending December 11 came in at 150.7m head, down 1% w/w.
- **Domestic:** Weekly prices posted slight gains on tight supplies on markets. Weekly fresh, frozen whole birds and IQF traded at R15.34/kg, R19.54/kg and R13.58/kg respectively. Import parity prices eased marginally lower on the back of a stronger Rand. The broiler-feed price ratio has remained good in the last 6 months suggesting improved profitability for chicken producers. This is largely due to relatively low maize prices. Improved producer margins typically leads to a boost in chicken production.

OUTLOOK

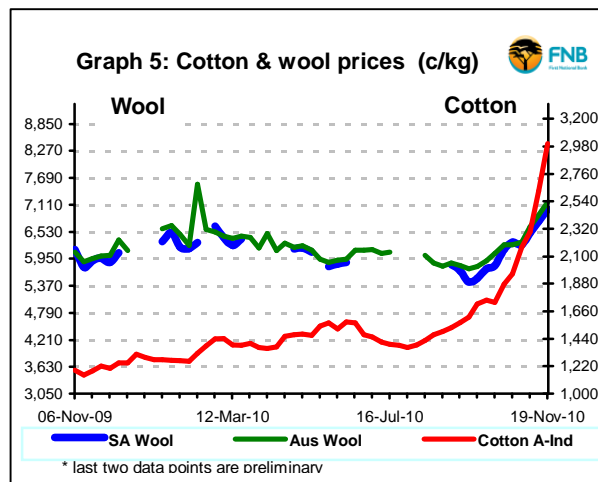
Domestic prices are expected to firm slightly in the medium term due to the seasonal increase in demand.



Producer prices for selected livestock commodities 05 November 2010	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	23.13	42.11	16.05	19.54
Open market: Class C / Baconer / Frozen whole birds(R/kg)	19.36	32.97	15.00	15.34
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	22.45	41.67	15.08	13.58
Import parity price (R/kg)	15.93	22.56	15.50	9.94
Weaner Calves / Feeder Lambs (R/kg)	15.78	19.83		

Wool and cotton market trends (Graph 5)

- International:** Cotton prices maintained an upward trend due to concerns over tightening supplies and strong demand. Prices rose by 7% w/w and 118% y/y to close at 151.48c/lb. Cotton futures surged: Dec-10 was up 13.5% w/w at 142.23c/lb, Mar-11 up 14.7% w/w at 138.11c/lb, May-11 up 14.9% w/w at 134.54c/lb, Jul-11 up 14.7% w/w 130.80c/lb, Oct-11 up 15.8% w/w at 114.49c/lb. Wool: In Australia, the market posted strong gains on good demand despite a firmer Australian dollar which was on par with the US dollar. The weekly market indicator EMI reached A\$9.90/kg, up 4.3% w/w and 14.2% y/y. This is the highest level since 2007.
- Domestic:** Wool prices bottomed out and strengthened supported by strong demand. This saw the weekly market indicator (Cape Wools Merino) gaining 3.9% to close at R65.02/kg clean wool, which is 10% and 16% higher than the opening sale and current season's average respectively. Major buyers were Standard Wool SA with 3,499 bales (35.1%), G Modiano SA with 2,801 bales (28.1%), Lempriere SA with 1,510 bales (15.2%), Stucken & Co with 1,272 bales (12.8%), Segard Masurel SA with 740 bales (7.4%), New England Wool SA with 43 bales (0.4%).
Locally, the 10th estimate for the 2009/10 season pegged the expected cotton crop at 41,673 lint bales, down 7% compared to the previous season but a slight improvement from the previous estimate. According to Cotton SA, about 38,163 lint bales are estimated to be produced from RSA produced seed cotton with the balance of 3,510 lint bales expected from Swaziland.

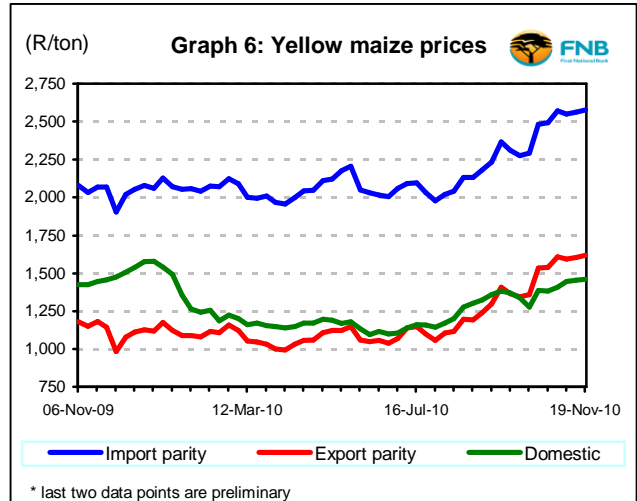


Fibre market prices 05 November 2010	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Apr-11 (AU\$/kg)	Australian futures Jun-11 (AU\$/kg)
Wool market indicator (R/kg)	65.02	66.41		
19µ long length wool (R/kg)	79.95	84.11	11.58	11.45
21µ long length wool (R/kg)	65.90	67.86	9.53	9.40
23µ long length wool (R/kg)	-	61.54	8.63	8.50
	SA derived Cotton (R/kg)	New York A-Index (US\$/kg)	New York future Dec-10 (US\$/kg)	New York future Mar-11 (US\$/kg)
Cotton Prices (R/kg)	22.96	3.33	2.76	2.65



Yellow maize market (Graph 6)

- **International:** US yellow maize prices ended slightly firmer on the back of a weaker US dollar and bullish equity markets. Expectations that the USDA will lower maize production estimates added to the positive tone. Harvest progress reached 91% complete compared to 83% last week. Weekly export sales were below expectations at 461,600 tons.
- **Domestic:** Yellow maize prices ended slightly firmer on Rand weakness and slightly higher international prices. Weekly yellow maize prices closed at R1,408/ton, up 1.9% w/w and 0.4% y/y. Yellow maize import parity price ended higher on the back of better international prices. Weekly yellow maize deliveries increased slightly, coming in at 4.3m tons, which is 37% of the total maize delivered for the season. Weekly export sales came in at 51,978 tons, down 17% w/w. Total export sales for the season to date were pegged at 499,818 tons. Weekly yellow maize Safex futures: Mar-11 was up 3.4% w/w (+R48/t), May-11 up 1.5% w/w (+R22/t), Jul-11 up 3% w/w (+R43/t).



OUTLOOK

Prices are expected to firm slightly in the short term but with further upward potential on the back of rising international prices.

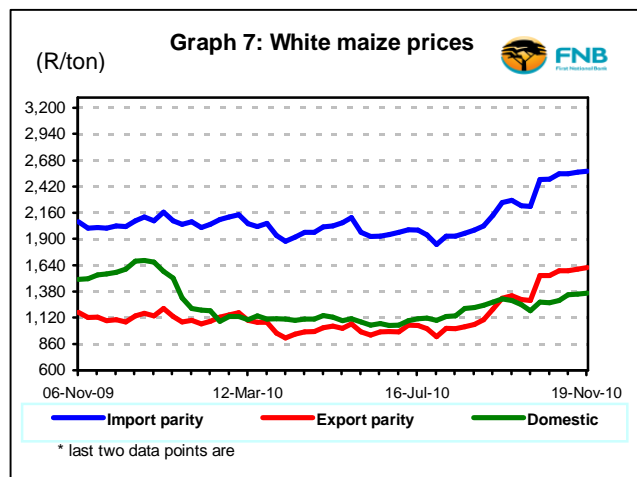
Yellow Maize Futures 05 November 2010	Mar-11	May-11	Jul-11	Sep-11	Dec-11
CBOT (\$/t)	231.51	237.03	239.71	240.97	226.79
SAFEX (R/t)	1,434	1,457	1,475	1,491	-
CHICAGO CORN (R/t)	1,582	1,635	-	1,692	-

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
1,480	72	26	1,500	130	87	1,520	165	120
1,440	48	42	1,460	107	104	1,480	142	137
1,400	30	64	1,420	87	124	1,440	121	156

White maize market trends (Graph 7)

- **International:** US white maize prices ended higher on the back of a weaker dollar and spill over support from the equity markets. Harvest progress surpassed the 90% completion mark at 91% complete. Weekly prices advanced 1.4% w/w and were up 49% y/y, closing at \$234/ton.
- **Domestic:** White maize prices ended modestly higher on spill over strength from the international market. Weekly white maize prices were up 4.6% w/w and closed at R1,349/ton, but still down 15% y/y. White maize import parity moved sideways for the week. Weekly white maize deliveries to the country's silos increased marginally to 7.32m tons. Total maize deliveries advanced to 11.584m tons.



Export sales dropped sharply w/w, coming in at 11,538 tons, raising total white maize sales for the season to 334,241 tons with total maize sales (WM + YM) now at 834,059 tons. White maize (WM) futures on Safex: Dec-10 was up 4% w/w (+R51/t), Mar-11 up 3.8% w/w (+R50/t), May-11 up 3.3% w/w (+R44/t), Jul-11 up 4.1% w/w (+R55/t).

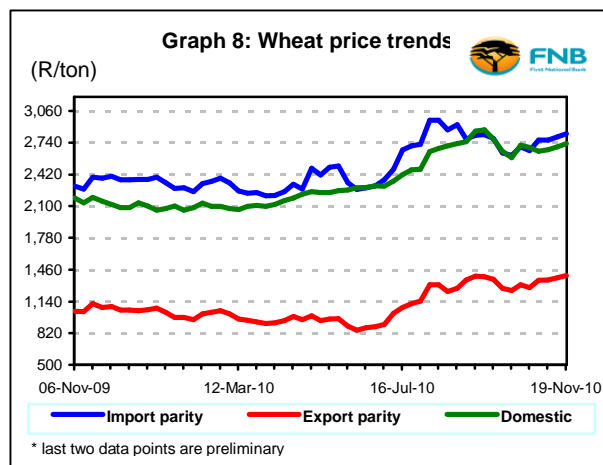
OUTLOOK

Prices are expected to firm slightly in the short term but with further upward potential on the back of rising international prices.

White Maize Futures 05 November 2010	Mar-11	May-11	Jul-11	Sep-11	Dec-11			
SAFEX (R/t) WM ₁	1,346	1,375	1,399	1,417	-			
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
1,380	62	28	1,420	140	95	1,440	163	122
1,340	39	45	1,380	117	112	1,400	140	139
1,300	23	69	1,340	97	132	1,360	119	158

Wheat market trends (Graph 8)

- International:** Wheat prices posted modest gains on the back of a weaker US dollar and strong export demand. A weaker US dollar improves the competitiveness of US wheat on international markets. Weather concerns in the Western wheat areas of the US provided further support. US wheat export sales were above expectations at 565,600 tons.
- Domestic:** Domestic wheat prices ended marginally higher on the back of higher international prices. Weekly wheat prices on Safex closed at R2,669/ton, up 0.5% w/w and 27% y/y. Wheat import parity prices were almost unchanged w/w. Wheat imports for the week ended 29-Oct-10 increased by 12% w/w at 39,128 tons, bring the cumulative number for to year to date at 175,441 tons. Wheat futures on Safex: Dec-10 increased marginally by 0.3% w/w (+R9/t), Mar-11 was up 0.5% w/w (+R14/t), May-11 up 0.1% w/w (+R4/t).



OUTLOOK

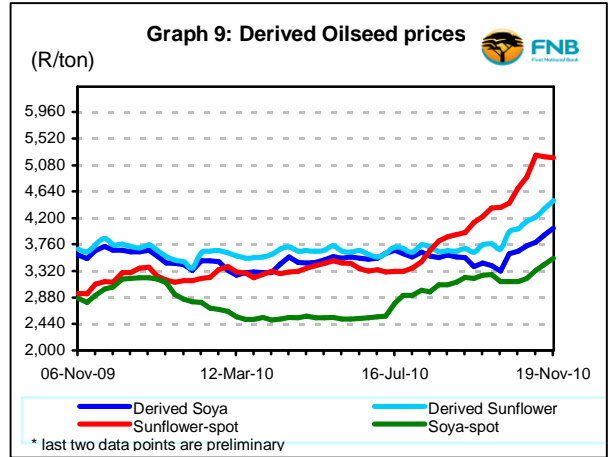
Domestic prices are expected to trend upwards on the back of renewed strength on the international commodity market.

Wheat Futures 05 November 2010	Mar-11	May-11	Jul-11	Sep-11	Dec-11			
KCBT (\$/t)	294.59	297.99	299.83	302.68	-			
SAFEX (R/t)	2,733	2,759	2,801	2,871	-			
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
2,740	76	26	2,780	168	121	2,800	185	144
2,700	52	42	2,740	146	139	2,760	163	162
2,660	33	63	2,700	125	158	2,720	142	181



Oilseed market trends (Graph 9)

- **International:** US soybean prices continued to trend higher supported by the weaker US dollar and bullish export demand. Export sales were higher than expected at 1.6m tons, indicating tightening supplies. Futures in the soybean complex were at record highs, with soybean and soybean oil at their highest levels since Jun-09 and Sep-08 respectively. Prices were up across the soybean complex with soybean, soymeal and soyoil up 1.8%, 3.5% and 3.1% w/w respectively.
- **Domestic:** Oilseed prices traded on Safex continued to post strong gains supported by higher international prices. Weekly sunflower prices rose by 7.3% w/w and 78% y/y to close at R5,242/ton, which is a new record since July 2008. In the case of soybeans, prices advanced by 4.3% w/w to close at R3,332/t, which is almost 16% higher y/y. This will further boost planting of oilseed crops. Expected planting area for sunflower and soybeans is already up 29.5% and 25.2% y/y at 515,150 and 390,000 ha respectively. Weekly soybean futures on Safex: Dec-10 closed up 3.3% w/w (+R110/t), Mar-11 was up 2.2% w/w (+R70/t), May-11 up 0.3% w/w (+R10/t). Sunflower futures on Safex: Dec-10 closed up 5.4% w/w (+R269/t), May-11 up 0.7% w/w (+R28/t), May-11 up 0.7% w/w (+R28/t).



OUTLOOK

A weaker US dollar coupled with strong export interest will continue to support oilseeds prices on the international market.

Oilseeds Futures 05 November 2010	Mar-11	May-11	Jul-11	Sep-11	Dec-11
CBOT Soybeans (US \$/t)	474.88	475.90	477.82	460.03	-
CBOT Soya oil (US c/lb)	52.96	53.19	53.38	53.43	53.68
CBOT Soya cake meal (US \$/t)	352.00	352.60	354.20	339.90	322.70
SAFEX Sunflower seed (R/t)	4,940	3,797	3,890	-	-
SAFEX Soybean seed (R/t)	3,320	3,010	3,055	-	-

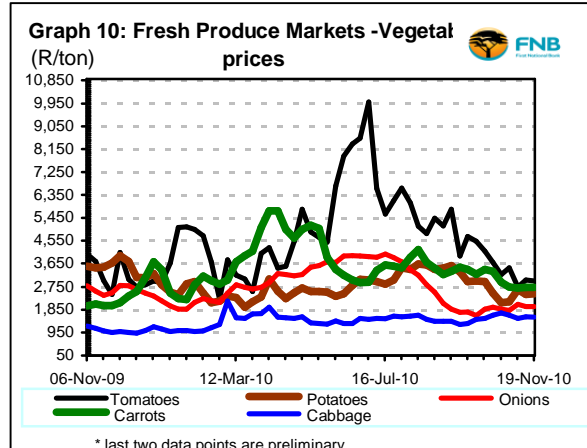
Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)

Dec-10			Mar-11			May-11		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
5,040	56	276	4,660	231	511	3,800	340	337
5,000	46	306	4,620	215	535	3,760	319	356
4,960	37	337	4,580	200	560	3,720	298	375



Vegetable market trends (Graph 10)

- Tomatoes**
 Tomato prices decreased sharply due to weak uptake on markets. Prices decreased by 21.5% w/w and 32.1% y/y, closing at R2,740/ton. Volumes traded reached 4,999 tons, down 2% w/w but still up 11.8% y/y. Prices are however expected to weaken slightly during midmonth.
- Potatoes**
 Potato prices increased sharply due to limited supplies on markets. Prices were up 21.8% w/w but were still down 25.7% y/y, closing at R2,636/ton. Volumes traded decreased by 15.4% w/w and 4.3% y/y reaching 12,643 tons. Prices are however expected to moderate somewhat in the short term as supplies recover.
- Onions**
 Onion prices increased sharply due to reduced supplies on markets. Prices increased to R2,046/ton, up 12% w/w but down 26.3% y/y. Volumes traded declined by 16.5% w/w and 14.7% y/y reaching 4,151 tons. Prices are however expected to ease somewhat in the short term with limited upside potential as supplies recover.
- Carrots**
 Carrot prices decreased slightly due to weak uptake on markets. Prices decreased by 1.5% w/w but were still up 34.9% y/y closing at R2,694/ton. Volumes traded reached 1,306 tons, down 3.6% w/w and 22.6% y/y. Prices are expected to remain firm due to limited supplies on markets.
- Cabbages**
 Cabbage prices decreased slightly due to weak uptake on markets. Prices declined by 8.1% w/w but were still up 25.5% y/y closing at R1,503/ton. Volumes traded reached 1,415 tons, down 4.8% w/w and 13.1% y/y. Prices are expected to remain on the downside in the short term. .



Vegetable prices: Fresh Produce Markets. (Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)

Week ending 05 November 2010	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Tomato	2,740	-21.5%	-32.1%	4999	-2.0%	11.8%
Potato	2,636	21.8%	-25.7%	12643	-15.4%	-4.3%
Onion	2,046	12.0%	-26.3%	4151	-16.5%	-14.7%
Carrot	2,694	-1.5%	34.9%	1306	-3.6%	-22.6%
Cabbage	1,503	-8.1%	25.5%	1415	-4.8%	-13.1%

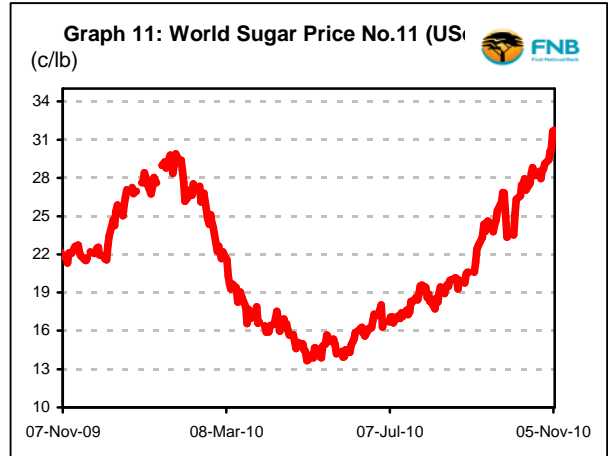
* Daily prices also available at <https://www.fnbagricomms.co.za>



How can we help you?

Sugar market trends (Graph 11)

- International:** World sugar prices hit another record high supported by strong demand and tight global supplies. Weekly prices were up 7.2% w/w at 30.63 US cents per pound. Uncertainty over the production outlook in Brazil due to the effects of unfavourable weather conditions continued to support the market. Weekly US ICE sugar futures ended higher across the board: Raw sugar for Mar-11 delivery was up 9.1% w/w at 31.76c/lb, May-11 up 9.1% w/w at 29.29c/lb, Jul-11 up 7.3% w/w at 26.37, May-12 up 5.6% w/w at 21.46c/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, was unchanged at R2,569.55/ton during September, according to the Cane Growers report. A drop of 34,439 tons in sugar production, the lower weighted average world market prices (US\$19.89c/lb vs. US\$20.31c/lb) and the firmer weighted average Rand/ US\$ exchange rate (R7.44 vs. R7.53/US\$) and the lower sugar: RV ratio (93.94% vs 94.19%) impacted of the price.



ICE Sugar Futures 05 November 2010	Mar-11	May-11	Jul-11	Oct-11	Mar-12
Sugar No.11 (US c/lb)	31.76	29.29	26.37	24.58	23.31
% Change w/w	9.1%	9.1%	7.3%	6.8%	5.8%

Disclaimer:

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How can we help you?