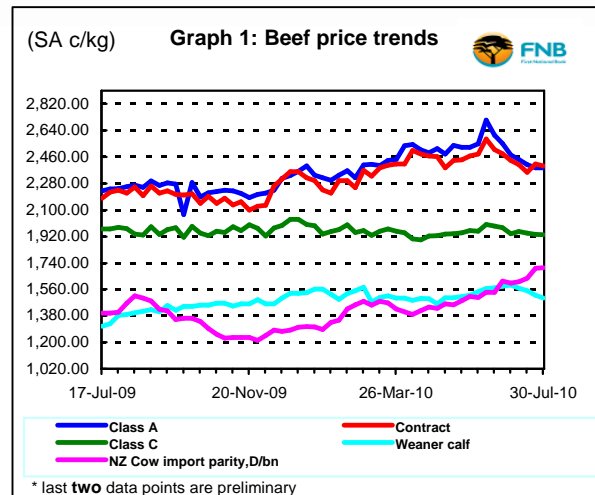


Beef market trends (Graph 1)

- International:** US domestic beef prices were mostly higher on good demand and tight supplies. Weaner calves were steady to firm due to increased market activity following the holiday break. Total beef cow slaughtering for the 1st half of the year was reported 13.2% more than last year and 18% more than the 5-year average. Market activity on imported beef was moderate with prices mostly higher supported by strong domestic prices.
- Domestic:** Beef prices continued to weaken on reduced demand during mid-month. Weekly Class A, Class C and Contract Class A prices closed at R24.08/kg (up 8% y/y), R19.43/kg (down 1.5% y/y) and R23.55/kg (up 8% y/y) respectively. Weaner calf prices declined by 1.1% compared to last week and closed at 15.50/kg live weight. However, the current weaner calf prices are 18% higher when considered year on year.

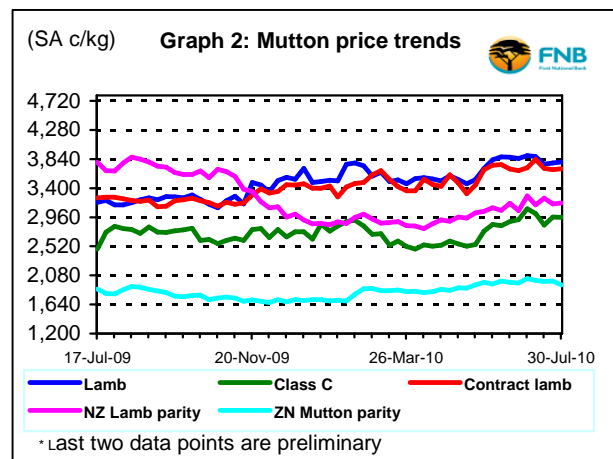


OUTLOOK

It is expected that prices will continue to soften in the short term with limited upward potential in the medium term.

Mutton market trends (Graph 2)

- International:** US domestic slaughter lamb, ewes and feeder lamb prices were reportedly steady with limited supplies on markets. However sheep numbers out of the Midwest were a bit modest due to seasonal production conditions. In Australian, mutton prices were reportedly higher for the week and were 38% up on last year with volumes dropping 32% due to rains. Lamb prices however ended slightly lower on limited uptake.
- Domestic:** As with beef, domestic lamb and mutton prices eased lower after posting strong gains during the past few weeks. Weekly Class A lamb, Class C and Class A contract lamb prices closed at R37.61/kg, R28.43/kg and R37.00/kg respectively. Feeder lamb prices however continued to ease lower due to a slowdown in demand. Weekly feeder lamb prices were down 1.7% compared to last week, closing at R17.95/kg live weight, which is still 23% higher compared to the corresponding week last year.

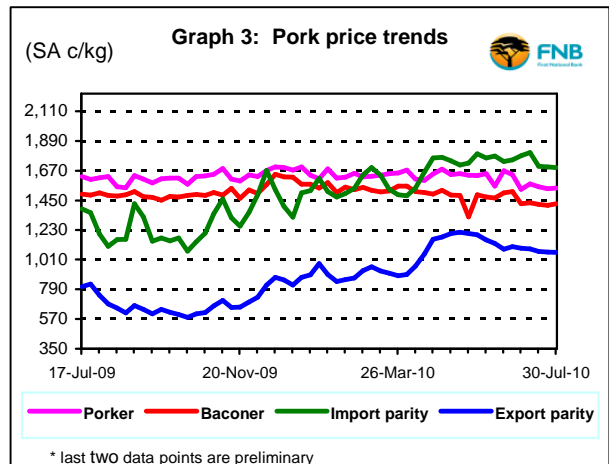


OUTLOOK

It is expected that prices will move sideways in the short term but will soften slightly in the medium term due to moderation in demand.

Pork market trends (Graph 3)

- **International:** US pork prices were down across the board. The biggest decline was in hams, which dropped 6% compared to last week due to abundant supplies. Carcass, loin and rib only eased slightly on improved volumes and limited demand.
- **Domestic:** Weekly porkers and baconer prices eased lower during mid-month. Weekly prices ended at R15.52/kg and R14.22/kg respectively for porkers and baconers. Pork import parity prices fell by 6% compared to last week, due to lower international prices and a stronger Rand. Meanwhile, pork imports for June came in modestly higher at 2094.2 tons, up 4.9% month on month but still 48.4% lower compared to the same month last year. Cumulative imports for the year to date were pegged at 14,236 tons, which is 4.4% lower than last year. Imports by country were as follows: Imports from Belgium were 100.3 tons(5%), Canada with 1054.6 tons (50%), Denmark with 174.2 tons (8%), France with 243 tons (12%), Germany with 372 tons, (18%), Spain with 24.8 tons(1%), and others 125 tons (6%).



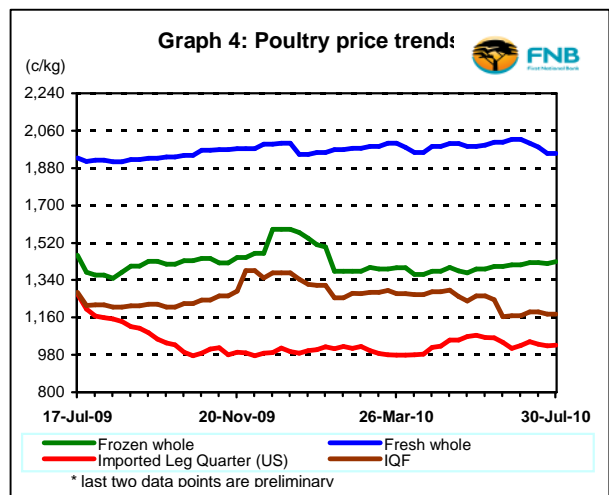
Imports from Belgium were 100.3 tons(5%), Canada with 1054.6 tons (50%), Denmark with 174.2 tons (8%), France with 243 tons (12%), Germany with 372 tons, (18%), Spain with 24.8 tons(1%), and others 125 tons (6%).

OUTLOOK

Prices are expected to move sideways with limited upward potential due to subdued demand.

Poultry market trends (Graph 4)

- **International:** US domestic prices ended steady to lower for the week. Demand at retail and food service was reportedly light to moderate for most part of the week. Market activity was slow to moderate. Movement was light to moderate for most portions. Supplies of all other parts were reported moderate to heavy. Weekly US broiler egg sets and chick placements for the week ending Jul-2010 were reported up 2% respectively compared to last year. The estimated number to be available for marketing during the week ending 21-Aug-2010 came in at 170.2m head, which is slightly lower than the 161.2m a week earlier.
- **Domestic:** Domestic prices were steady to lower for the week. Weekly frozen, fresh whole birds and IQF prices closed at R14.25/kg, R19.60/kg and R11.87/kg respectively. Considered year on year, the current prices are down 2.4% and 7% respectively for frozen whole birds and IQF. Fresh whole birds are still 1.6% higher compared to last year. Weekly import parity prices (LQ) were down 1.2% week on week, due to the combined effect of lower international prices and a stronger Rand/US dollar exchange rate.



OUTLOOK

Domestic prices are expected to move sideways to lower in the short to medium term..



How can we help you?

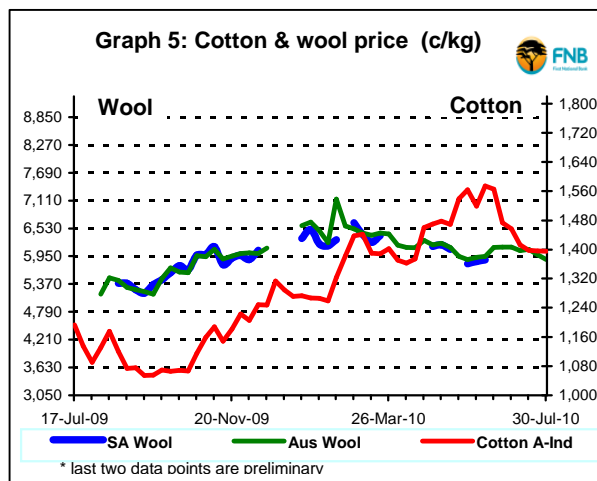
Producer prices for selected livestock commodities 16 July 2010	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	24.08	37.61	15.52	19.60
Open market: Class C / Baconer / Frozen whole birds(R/kg)	19.43	28.43	14.30	14.25
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	23.55	37.00	14.22	11.87
Import parity price (R/kg)	16.34	19.85	17.03	10.31
Weaner Calves / Feeder Lambs (R/kg)	15.50	17.95		

Wool and cotton market trends (Graph 5)

- International:** US Cotton prices continued to ease lower due to concerns over weakness in consumer demand and bearish economic outlook. US retail sales dropped by 0.5% in June and economic growth was revised downwards on concern over weak job market. Expectations that the cotton output will be 50% higher on last year added to the weaker tone. US ICE futures: Oct-10 closed up 2.3% w/w at 79.96USc/lb; Dec-10 closed down 1.4% w/w at 73.96USc/lb; Mar-11 was down 1.7% w/w at 74.81USc/lb.

Wool: In Australia, the wool market continued to soften as the Australian dollar continued to strengthen against the US dollar. The weekly wool market indicator (EMI) closed at AU\$8.76/kg clean wool, down 1.4% compared to last week but still 13% higher year on year. Volumes offered were pegged at 39,700 bales with sales reaching only 84.6%. The Australian wool market goes into a three week recess with sales resuming during the week beginning 9th of August 2010.

- Domestic:** The wool market is currently on recess and the first sale for the new marketing season is scheduled for 18-Aug-10. It is expected that the market will continue trending higher supported by tight supplies and improving demand.



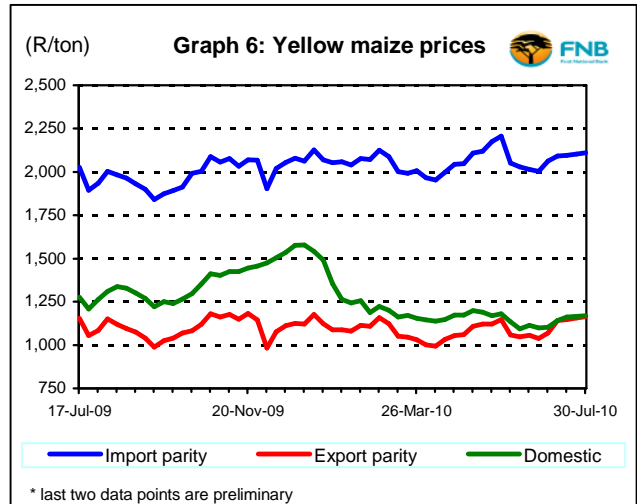
Fibre market prices 16 July 2010	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Sep-10 (AU\$/kg)	Australian futures Jan-11 (AU\$/kg)
Wool market indicator (R/kg)	58.71*	60.95		
19µ long length wool (R/kg)	66.78*	69.05	9.7	9.5
21µ long length wool (R/kg)	60.86*	61.51	8.7	8.5
23µ long length wool (R/kg)	56.50*	59.35	8.0	7.7
	SA derived Cotton (R/kg)	New York A-Index (US\$/kg)	New York future Oct-10 (US\$/kg)	New York future Dec-10 (US\$/kg)
Cotton Prices (R/kg)	13.98	1.85	1.76	1.63

- * Last sale for the domestic wool season;



Yellow maize market (Graph 6)

- **International:** US yellow maize prices continued to increase on spill over support from the surging wheat market, good export demand and strength in European grain markets. About 20% of Russia's crop is reported to have been negatively affected by the severe drought, considered the worst in 130 years. In china, crop estimates were unchanged at 168m tons. The US maize crop considered in good to excellent condition was rated at 73%, with some areas halfway through pollination and others approaching maturity.
- **Domestic:** Yellow maize prices continued to post good gains mainly due to higher international prices. Weekly yellow maize prices closed at R1,162/ton, up 1.8% compared to last week, but still 9% down on last year. Yellow maize import parity ended marginally higher despite a stronger Rand due to better international prices. Weekly producer deliveries for the week ended 09-July-10 were pegged at 364,000 tons which brings the total deliveries for the season to 2.8m tons. This is however 9% lower than the week earlier. Weekly yellow maize Safex futures: Jul-10 was up 3% w/w (+R33/t); Sep-10 was up 2.3% w/w (+R26/t); Dec-10 was up 2.8% w/w (+R33/t).



OUTLOOK

Prices are still expected to come under downward pressure in the short to medium term due to bearish supply outlook.

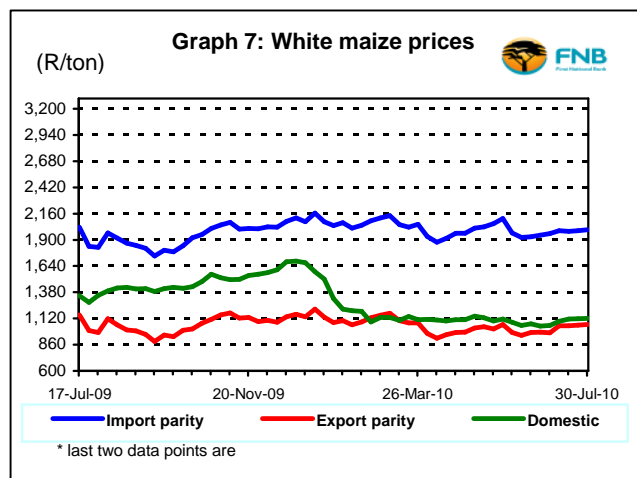
Yellow Maize Futures 16 July 2010	Sep-10	Dec-10	Mar-11	May-11	Jul-11
CBOT (\$/t)	155.47	160.44	164.53	167.29	169.58
SAFEX (R/t)	1,209	1,258	1,275	1,290	1,329
CHICAGO CORN (R/t)	-	1,235	1,283	-	1,349

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

Sep-10			Dec-10			Mar-10		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
1,240	63	32	1,300	105	63	1,320	158	113
1,200	41	50	1,260	82	80	1,280	135	130
1,160	24	73	1,220	62	100	1,240	113	148

White maize market trends (Graph 7)

- **International:** US white maize prices increased marginally on the back of a rally in wheat prices, a weaker US dollar and improved export interest. However further gains were limited due to the favourable crop progress report, which increased the portion of the crop rated good-to-excellent by two percentage points to 73%. Weekly prices closed up 0.9% compared to last week and were 0.3% higher year on year. Developments in other grain markets, especially in Europe and Russia will continue to influence direction in the short to medium term.
- **Domestic:** White maize prices ended slightly higher for the week. Weekly white maize prices



were up 1.9% compared to last week and closed at R1,112/ton, but still 17% down on last year. White maize import parity eased marginally lower mainly due to the strengthening of the Rand against the US dollar. Weekly producer deliveries for the week ended 09-Jul-10 came in at 678,000 tons, up 11% compared to the week earlier. This brings the total white maize deliveries for the season to almost 4m tons. Total maize harvested and delivered to the country's silos stood at 6.73m tons. White maize (WM) futures on Safex: Sep-10 was up 2.5% w/w (+R30/t); Dec-10 was up 2.4% w/w (+R29/t); Jul-11 was up 1.7% w/w (+R22/t).

OUTLOOK

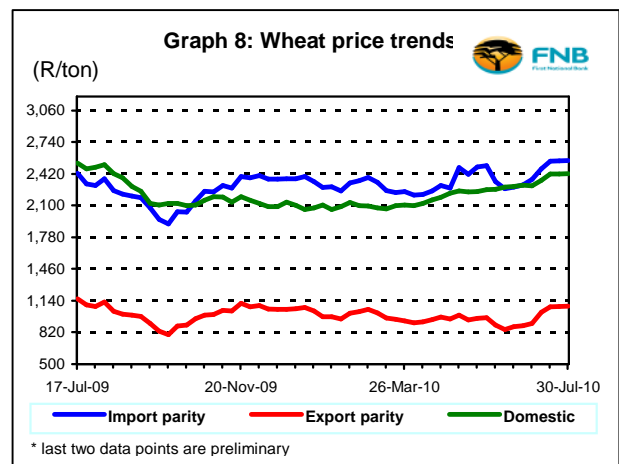
Short to medium term outlook remains on the downside due to bearish maize fundamentals. However, wet conditions earlier during harvesting have affected quality which could see some of the crop being downgraded. In the US, the market will remain sensitive to developments on the weather front as the crop moves through the critical stage of pollination.

White Maize Futures 16 July 2010	Sep-10	Dec-10	Mar-11	May-11	Jul-11
SAFEX (R/t) WM ₁	1,156	1,210	1,240	1,262	1,300

Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Sep-10			Dec-10			Mar-10		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
1,200	71	27	1,260	115	65	1,280	149	109
1,160	47	43	1,220	92	82	1,240	126	126
1,120	29	65	1,180	71	101	1,200	105	145

Wheat market trends (Graph 8)

- International: US wheat prices continued to post sharp gains driven by concerns over tightening global supplies as drought damage to crops in Europe, Russia and China as well as reduced plantings in Canada (more than 15% drop) and the US (about 2.4mha down on last year). Weekly prices rose sharply with hard red winter wheat up 8.7% compared to last week.
- Domestic: Wheat prices maintained an upward trend supported by higher international prices despite a stronger Rand. Weekly wheat prices closed up 2.8% compared to last week, closing at R2,418/ton. This is however still 5.9% down on last year. Wheat import parity prices (Randfontein) closed 3.2% higher mainly due to the sharp increase in international prices. Weekly wheat futures on Safex: Sep-10 ended slightly higher by 2.3% w/w (+R56/t); Dec-10 was up 1% w/w (+R24/t); Mar-11 was up 1.1% w/w (+R28/t).



OUTLOOK

It is expected that prices will maintain a firmer trend in the short to medium term given the tighter supply situation going forward.

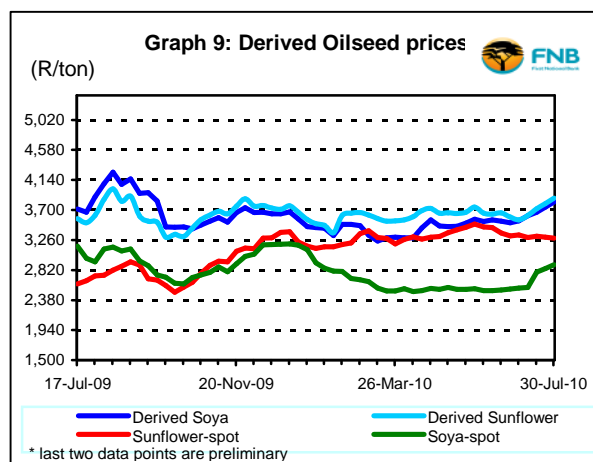


How can we help you?

Wheat Futures 16 July 2010	Sep-10	Dec-10	Mar-11	May-11	Jul-11			
KCBT (\$/t)	226.16	231.94	235.07	238.10	-			
SAFEX (R/t)	2,484	2,440	2,504	2,545	-			
Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Sep-10			Dec-10			Mar-10		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2,520	78	42	2,480	153	113	2,540	177	141
2,480	56	60	2,440	131	131	2,500	155	159
2,440	38	82	2,400	111	151	2,460	134	178

Oilseed market trends (Graph 9)

- International:** Soybean prices were moderate to sharply higher, supported by strong outside markets and a weaker US dollar. Prices trended higher across the soybean complex with soybean, soybean meal and soybean oil closing up 4%, 1.7% and 5.1% respectively compared to last week. Old crop futures trended higher underpinned by tight supplies coupled with strong demand. Weather remains an important driver in determining price direction given the critical stage of crop development.
- Domestic:** On the domestic market, oilseed prices traded on Safex ended higher due to the spill over strength from the international market. Weekly sunflower prices increased marginally by 0.5% compared to last week and closed at R3,316/ ton, up 27% y/y. Soybeans rallied sharply and closed at R2,791/ ton, up 8.7% week on week but still 12% down on last year. Derived soybean and sunflower prices ended modestly higher by 2.7% and 1.5% respectively week on week, mainly due to higher international prices. Weekly soybean futures on Safex increased sharply across the board: Sep-10 rose sharply by 10.7% w/w (+R285/t); Dec-10 was up 10.3% w/w (+R279/t); Mar-11 was up 3.7% w/w (+R 100/t). Sunflower futures on Safex ended slightly firmer: Sep-10 was up 0.2% w/w (+R7/t); Dec-10 was up 0.5% w/w (+R16/t); May-11 was up 1.9% w/w (+R55/t).



OUTLOOK

The bullish trend on the international market is expected to filter through locally benefiting soybeans in particular.



How can we help you?

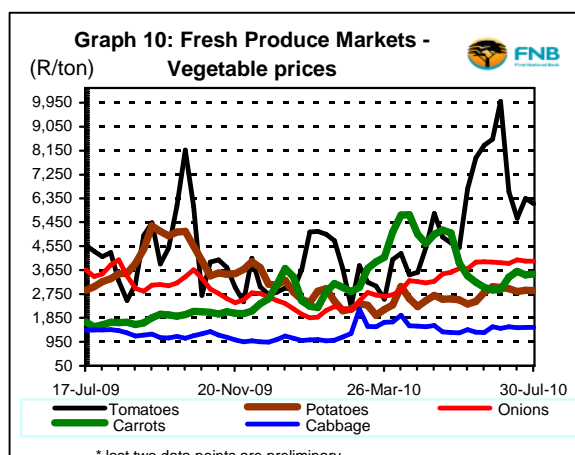
Oilseeds Futures 16 July 2010	Sep-10	Dec-10	Mar-11	May-11	Jul-11
CBOT Soybeans (US \$/t)	366.70	-	364.94	364.50	367.44
CBOT Soya oil (US c/lb)	38.48	39.06	39.57	39.80	40.08
CBOT Soya cake meal (US \$/t)	298.20	290.00	288.30	286.60	287.80
SAFEX Sunflower seed (R/t)	3,395	3,500	3,000	2,980	-
SAFEX Soybean seed (R/t)	2,938	3,000	2,800	2,590	-

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

Sep-10			Dec-10			Mar-10		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
3,440	151	106	3,540	276	236	3,040	338	298
3,400	129	124	3,500	254	254	3,000	315	315
3,360	109	144	3,460	233	273	2,960	293	333

Vegetable market trends (Graph 10)

- Potatoes**
 Potato prices decreased slightly due to weak uptake on markets. Prices were down 3.7% w/w and 1.8% y/y, closing at R2,850/ton. Volumes traded decreased by 7.4% w/w, coming in at 11,035 tons, a y/y increase of 1.8%. Prices are however expected to trend sideways with limited upward potential.
- Cabbage**
 Cabbage prices decreased due to limited uptake on markets. Prices declined by 2.3% w/w closing at R1,483/ton, up 7.1% y/y. Volumes traded were pegged at 1,405 tons, down 3.9% w/w and 7.9% y/y. Prices are expected to move sideways in the short term.
- Carrots**
 Carrot prices increased modestly due to reduced supplies on markets. Prices increased by 6.5% w/w closing at R3,606/ton, up 112.4% y/y. Volumes traded came in at 1,126 tons, down 4.4% w/w and 22.7% y/y. Prices are expected to soften slightly due to moderation in demand.
- Onions**
 Onion prices posted modest gains on the back of reduced volumes on markets. Prices increased to R4,036/ton, up 6.5% w/w and 10.3% y/y. Volumes traded decreased by 6.3 w/w coming in at 3,724 tons, up 2.8% y/y. Prices are however expected to ease somewhat in the short term with limited upside potential as supplies recover.
- Tomatoes**
 Tomato prices decreased sharply due to weak uptake on markets. Prices declined by 15.0% w/w but were still 22.% higher y/y, closing at R5,604/ton. Tomato volumes traded were pegged at 3,417 tons, down 5.0% w/w and 2.0% y/y. Prices are however expected to bottomed out and strengthen in the weeks ahead due to moderation in supplies.

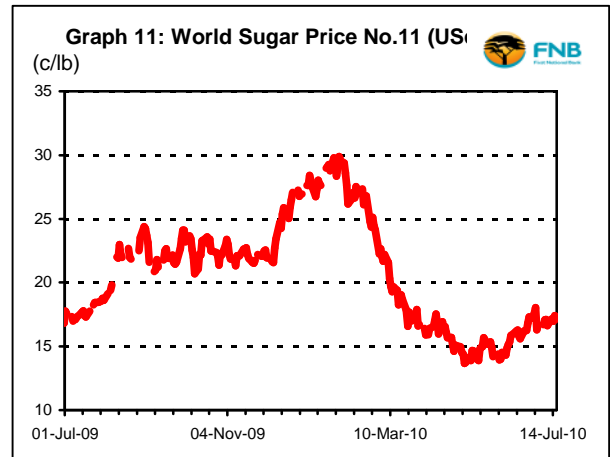


Vegetable prices: Fresh Produce Markets. (Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)						
Week ending 16 July 2010	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Tomato	5,604	-15.0%	22.0%	3417	-5.0%	-2.0%
Potato	2,850	-3.7%	-1.8%	11035	-7.4%	1.8%
Onion	4,036	3.5%	10.3%	3724	-6.3%	2.8%
Carrot	3,606	6.5%	112.4%	1126	-4.4%	-22.7%
Cabbage	1,483	-2.3%	7.1%	1405	-3.9%	-7.9%

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

Sugar market trends (Graph 11)

- **International:** World sugar prices moved slightly higher by 1.7% compared to last week, closing at 17.15 c/lb. Prices started the week on a firmer note underpinned by concern over shrinking global crop. However weakness in commodity markets and uncertainty regarding economic growth outlooks pressured the market towards the end of the week. In major producing areas, harvesting continued in Brazil while India will be under way soon.
- **Domestic:** Locally the 2010/11 RV (Recoverable Value) price, which is a measure of the value of the sugar and molasses that will be recovered from the sugar cane delivered by the individual grower, was set at R2,496.75/ton in May-10, which is up 1.3% compared to April. The increase is attributable to the drop of 49 995 ton in production which reduced the industry's exposure to the lower world market at the time. The combined effect of a weaker Rand/US dollar exchange rate and higher international prices contributed to the price increase.



ICE Sugar Futures 16 July 2010	Mar-11	May-11	Jul-11	Oct-11	Mar-12
Sugar No.11 (US c/lb)	17.47	16.98	16.53	16.39	16.29
% Change w/w	3%	4%	3%	4%	3%

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