

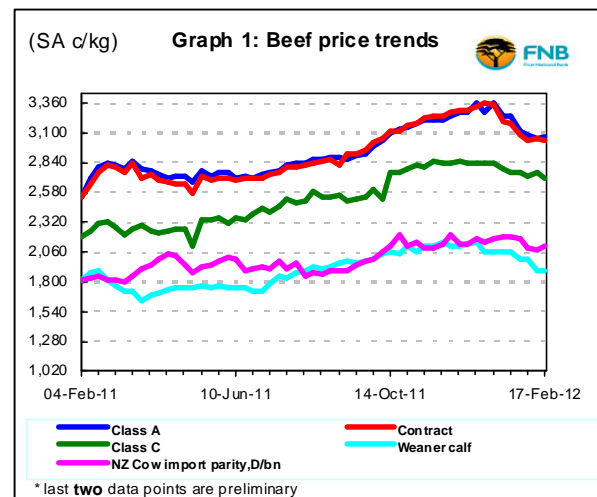


03 February 2012

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Beef market trends (Graph 1)

- **International:** US lean boneless processing beef market ended mostly higher on the back of good demand and moderate supplies. Market activity on imported beef was reportedly slow but prices trended higher supported by tight supplies and strong domestic seasonal demand. Meanwhile, US cattle herd fell by 2.1% y/y to 90.77m head according to the latest USDA Cattle Inventory report.. Beef cow replacements were pegged at 5.2m head, up 14.0% y/y while the calf crop was estimated down 1.1% at 35.3m head and both signaling tight market conditions in the medium to longer term. Fed Cattle estimate was 14.1m head, up 0.8% y/y. In Australia, cattle prices strengthened on the back of reduced supplies following heavy rains in most areas. The benchmark young cattle indicator EYCI advanced by 1.2% w/w and 1.2% y/y to close at AU\$3.95/kg cwt.



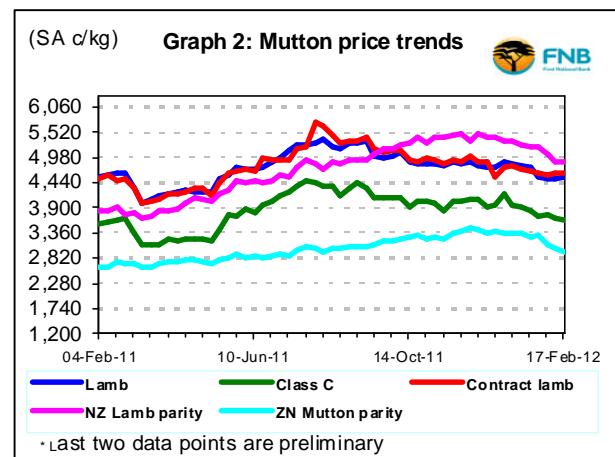
- **Domestic:** Beef prices maintained their downward trend on the back of weak demand. Weekly Class A beef fell by 1.3% w/w to close at R30.81/kg, but still up 21.1% y/y. Contract Class A beef closed at R30.38/kg, down 1.5% w/w but still up 19.9% y/y. Class C beef fell by 1.2% w/w and closed at R27.14/kg, but still up 23.3% y/y. Weaner calf prices continued to weaken due to limited demand across most markets. Weekly weaner calf prices traded at R19.90/kg live weight, down 0.5% w/w but still up 9.7% y/y.

OUTLOOK

Prices are expected to maintain the current momentum in the short to medium term due to weak seasonal demand.

Mutton market trends (Graph 2)

- **International:** US Lamb Carcass Cutout ended slightly lower on improved offerings. Prices ended down 1.2% w/w but still 12.8% higher at \$355.50/cwt. the estimated number slaughtered was pegged at 38,000 head, up 2.7% w/w and 8.6% y/y. Australian lamb prices eased lower under pressure due to improved supplies. The market indicator ESTL finished down 2.0% w/w and 13.4% y/y at AU\$4.92/kg cwt. In New Zealand (NZ), prices were down across the board. Lamb and mutton prices fell by 3.2% w/w and 3.5% w/w respectively.



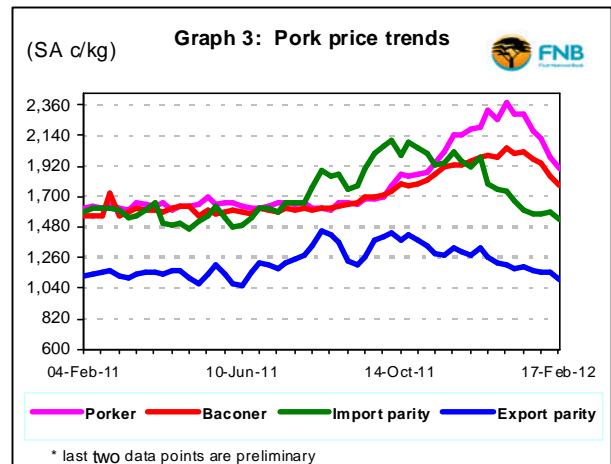
- Domestic:** Prices ended mixed, with lamb remaining under pressure due to seasonal weakness in demand. Weekly Class A lamb closed at R45.16/kg, down 1.1% w/w and 0.9% y/y. Contract Class A lamb fell by 1.0% w/w at R45.95/kg, but still up 1.2% y/y. Mutton prices rebounded and closed 1.4% higher w/w at R37.71/kg, which is up 1.3% y/y. Weaner lambs regained some ground on limited supplies as a result of improved production conditions. Prices increased by 0.8% w/w and 1.9% to close at R21.73/kg live weight.

OUTLOOK

It is expected that prices will remain under pressure in the short term due to limited demand.

Pork market trends (Graph 3)

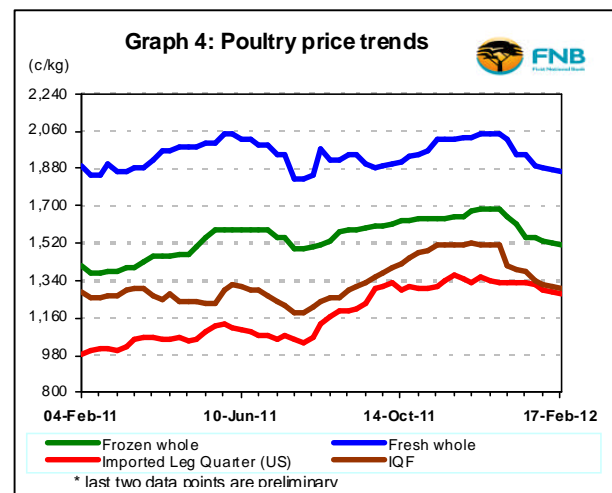
- International:** US pork prices ended mostly higher with the exception of loins. Weekly loin prices fell by 1.3% w/w and 4.1% y/y to close at \$93.18/cwt. Carcasses traded at \$84.88/cwt, up 0.9% w/w but still down 4.6% y/y. Ribs closed at \$146.11/cwt, up 1.0% w/w and 0.5% y/y. Ham prices advanced by 3.4% w/w but still down 9.9% y/y at \$65.37/cwt.
- Domestic:** Porker and baconer prices extended losses due to subdued demand. Weekly baconer prices closed at R21.21/kg, down 2.2% w/w but still up 31.0% y/y. Porker prices trended lower at R19.48/kg, down 1.3% w/w and 24.0% y/y. Import parity prices finished marginally higher on the back of better international prices despite and stronger Rand (R/US\$). Weekly import parity prices were up 0.2% w/w but still up 1.0% y/y.


OUTLOOK

Domestic prices are expected to retain the current momentum in the short term with limited upward potential in the medium term as a result of limited demand.

Poultry market trends (Graph 4)

- International:** US domestic prices ended steady to lower across most categories. Weekly whole birds were slightly firmer, up 0.1% w/w and 6.8% y/y at 90.75c/lb. Breast cuts traded at 88.67c/lb, up 0.2% w/w and 7.5% y/y. Leg quarter prices were softer, falling by 0.3% w/w to close at 53.50c/lb, but still up 37.8% y/y. Weekly US broiler egg sets and chick placements for the week ending 28 Jan-2012 were reported down 5.0% y/y and 4.0% y/y respectively. The estimated number available for marketing for the week ending 10 Mar-2012 was estimated at 148.4m head, down 6.1% y/y.
- Domestic:** Prices continued to weaken due to subdued demand and abundant stocks. Market activity remains weak with slow movement of stock. Weekly IQF prices fell by 1.8% w/w but still up 2.4% y/y at R13.17/kg. Medium frozen whole birds eased slightly lower at R15.29/kg, down 1.1% w/w but still up 8.5% y/y. Medium fresh whole birds extended losses to close at R18.85/kg, down 0.5% w/w and 0.4% y/y. Import parity prices for poultry (LQ) continued to weaken due to the combined effect of a lower international prices and a stronger Rand (R/US\$). Weekly import parity prices fell by 2.2% w/w but still up 31.0% y/y. Meanwhile, producers are facing tight margins as broiler prices soften while higher maize prices increase the cost of feed.



OUTLOOK

The market is expected to retain downward trend in the short term. Higher feed costs due to rising maize prices will erode margins as broilers prices weaken further. The stronger Rand might stimulate imports, adding further pressure on the market.

| Producer prices for selected livestock commodities 03 February 2012 | Beef | Mutton | Pork | Poultry |
|--|-------------|---------------|-------------|----------------|
| Open market: Class A / Porker / Fresh whole birds(R/kg) | 30.81 | 45.16 | 21.21 | 18.85 |
| Open market: Class C / Baconer / Frozen whole birds(R/kg) | 27.14 | 37.71 | 19.85 | 15.29 |
| Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg) | 30.38 | 45.95 | 19.48 | 13.17 |
| Import parity price (R/kg) | 20.92 | 30.98 | 15.81 | 12.90 |
| Weaner Calves / Feeder Lambs (R/kg) | 19.90 | 21.73 | | |

Wool and cotton market trends (Graph 5)

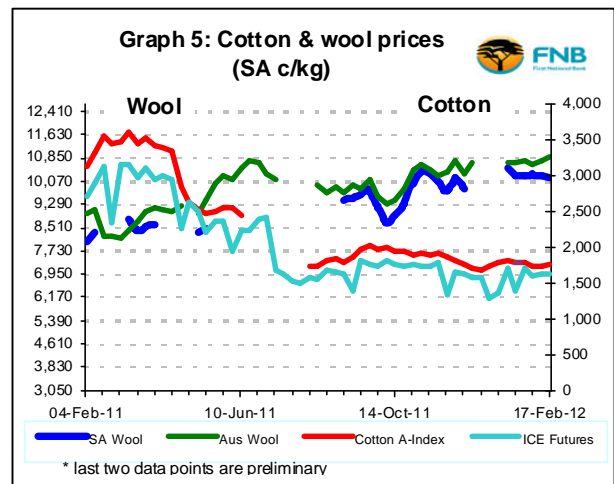
- International:** Cotton prices reversed last week's gains and declined on bearish seasonal supply outlook. The Southern Hemisphere is on the harvest mode, which keeps the market on the back foot. The USDA projected a higher output of 3.4m tons for the Southern hemisphere countries (Argentina, Brazil and Australia) and 26.7m tons for the world. Meanwhile, the International Cotton Advisory Committee projects the Cotlook A index to fall by 35.0% y/y to 107.00c/lb. This will discourage production which could see production falling by 7.0% to 26.8m tons. Weekly prices fell by 1.1% and 48.8% y/y at 101.38c/lb.

Cotton futures on ICE reversed gains: Cotton for May-12 increased by 1.4% w/w at 97.48c/lb, Jul-12 was up 2.0% w/w at 98.45c/lb, Oct-12 was up 1.5% w/w at 98.00c/lb.

Wool: In Australia, the wool market softened with the weekly market indicator EMI closing at Au\$11.93/kg clean, down 0.1% w/w but still up 5.4% y/y.

- Domestic:** The Wool market finished marginally lower for the week. The weekly market indicator Cape Wools Merino closed at R102.47/kg clean wool, up 5.1% and 11.0% compared to the current season's average and the opening sale respectively and 31.2% higher y/y. Major buyers were G Modiano SA with 3,002 bales (29.5%), Standard Wool SA with 2,542 bales (25.0%), Lempriere SA with 2,113 bales (20.7%) and Stucken & Co 1,306 bales (12.8%).

Cotton: Production is projected lower in the 1st CottonSA estimate report. The expected crop for the 2011/12 season is seen at 67,010 lint bales, down 26.0% y/y. This is comprised of 64,760 (-24.0% y/y) and 2,250 lint bales produced from the South African grown seed cotton and Swaziland ginned cotton respectively.

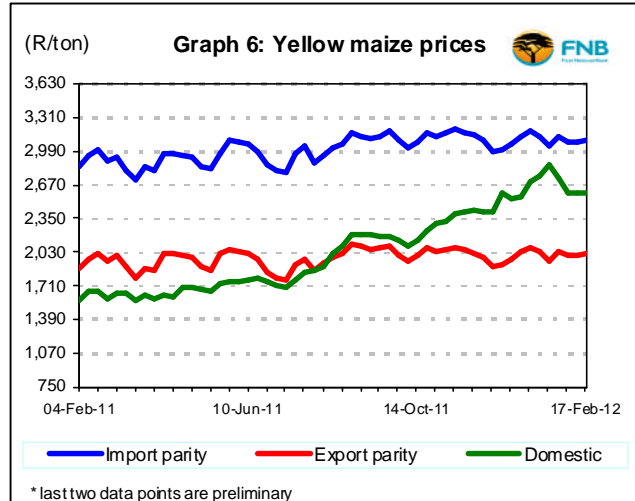


| Fibre market prices 03 February 2012 | SA prices (R/kg) | Australian prices (R/kg) | Australian futures Apr-12 (AU\$/kg) | Australian futures Jun-12 (AU\$/kg) |
|---|---|---|--|--|
| Wool market indicator (R/kg) | 103.01 | 106.15 | | |
| 19 μ long length wool (R/kg) | - | 116.10 | 13.20 | 12.70 |
| 21 μ long length wool (R/kg) | 108.54 | 106.60 | 12.30 | 11.80 |
| 23 μ long length wool (R/kg) | 102.91 | 104.13 | 11.30 | 10.80 |
| | SA derived Cotton (R/kg) | New York A-Index (US\$/kg) | Cotton Futures May-12 (US\$/kg) | Cotton Futures Oct-12 (US\$/kg) |
| Cotton Prices (R/kg) | 17.28 | 2.23 | 2.14 | 2.16 |

Cotton Futures on ICE.

Yellow maize market (Graph 6)

- International:** US yellow maize prices extended the recent rally on good export demand and concerns over production losses in South America. Private estimates are pointing to a lesser crop for Argentina. Record U.S. ethanol output and tight global supplies added to the firmer tone. US weekly export sales came in at 975,000 tons. Weekly yellow maize prices increased by 0.7% w/w but still down 0.6% y/y. Maize futures on CME: Maize for May-12 advanced by 0.6% w/w at \$257/t, Jul-12 was up 0.8% w/w at \$259/t, Sep-12 was up 1.9% w/w at \$238/t, Dec-12 1.8% w/w at \$229/t.
- Domestic:** Local prices posted modest losses on Rand strength and indications of an increase in planted area. Weekly yellow maize prices fell by 5.5% w/w, closing at R2,584/t but still 64.6% y/y. First area estimate for 2012 came in at 2.63m ha, up 10.9% y/y. Weekly import sales for yellow maize were pegged at 10,328 tons and 103,170 tons for the season. Export sales for yellow maize came in at 2,887 tons and 686,902 tons for the season. Yellow futures on the JSE: Yellow maize for Mar-12 fell by 5.3% w/w (-R 139/t), Jul-12 fell by 1.9% w/w (-R 37/t), Jul-12 fell by 1.9% w/w (-R37/t).

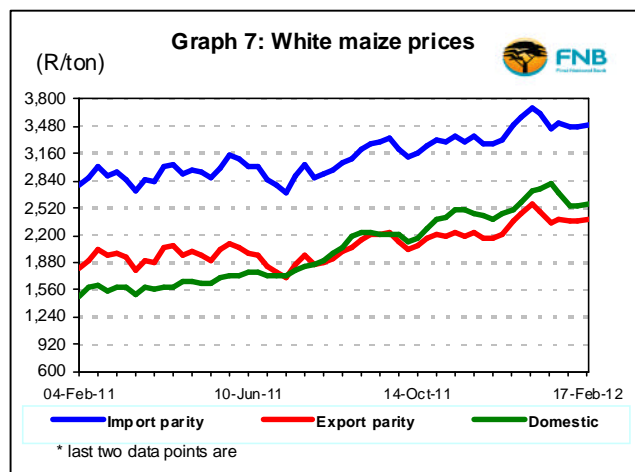

OUTLOOK

Prices are expected to trend lower in the short term, but upside potential remains given the depleted domestic stocks.

| Yellow Maize Futures 03 February 2012 | Mar-12 | May-12 | Jul-12 | Sep-12 | Dec-12 | | | |
|---|--------|--------|--------|--------|--------|--------|-----|------|
| CBOT (\$/t) | 253.81 | 256.57 | 258.54 | 238.45 | 228.99 | | | |
| JSE (R/t) | 2,481 | 2,185 | 1,951 | 1,982 | 2,017 | | | |
| CHICAGO CORN (R/t) | 1,945 | 1,985 | 2,012 | 1,863 | 1,819 | | | |
| Calculated Yellow Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005) | | | | | | | | |
| Mar-12 | | | May-12 | | | Jul-12 | | |
| Ask | Put | Call | Ask | Put | Call | Ask | Put | Call |
| 2,520 | 93 | 54 | 2,220 | 159 | 124 | 2,000 | 170 | 121 |
| 2,480 | 71 | 72 | 2,180 | 137 | 142 | 1,960 | 147 | 138 |
| 2,440 | 52 | 93 | 2,140 | 117 | 162 | 1,920 | 126 | 157 |

White maize market trends (Graph 7)

- International:** US white maize prices continued to strengthen on production concerns in South America. The report from the Buenos Aires Cereals Exchange that crop yields in Argentina will decline despite increased planted area added further support. Weekly average white maize prices increased by 1.3% w/w and 20.2% y/y to close at \$306/ton.
- Domestic:** White maize prices extended losses on the back of a stronger Rand. Weekly white maize prices fell by 5.5% w/w and closed at R2,547/ton, but still up 72.8% y/y. The CEC, projected area under white maize at 1.59m ha, up 12.1% y/y.



Weekly white maize exports came in at 43,152 tons and 1.51m tons for the season. Total maize exports reached 2.2m tons for the season to date. White maize import sales came in at 1,194 tons and 64,875 tons for the season. White maize futures on the JSE: White maize for Mar-12 fell by 5.5% w/w (-R144/t), Jul-12 was down 1.8% w/w (-R36/t), Sep-12 was down 1.9% w/w (-R39/t).

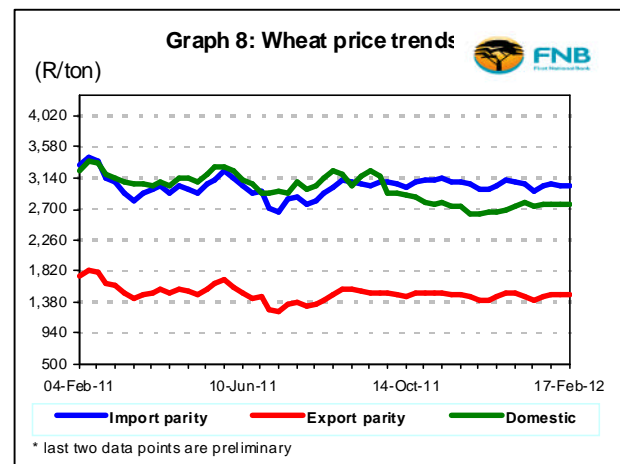
OUTLOOK

Prices are correcting lower in the short term, but upside potential remains given the depleted domestic carryover stocks.

| White Maize Futures 03 February 2012 | Mar-12 | May-12 | Jul-12 | Sep-12 | Dec-12 | | | |
|---|--------|--------|--------|--------|--------|--------|-----|------|
| JSE (R/t) WM ₁ | 2,464 | 2,220 | 1,982 | 2,014 | 2,060 | | | |
| Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005) | | | | | | | | |
| Mar-12 | | | May-12 | | | Jul-12 | | |
| Ask | Put | Call | Ask | Put | Call | Ask | Put | Call |
| 2,500 | 80 | 44 | 2,260 | 166 | 126 | 2,020 | 165 | 127 |
| 2,460 | 57 | 61 | 2,220 | 144 | 144 | 1,980 | 143 | 145 |
| 2,420 | 39 | 83 | 2,180 | 123 | 163 | 1,940 | 123 | 165 |

Wheat market trends (Graph 8)

- International:** US Wheat prices posted modest gains on improved export and weather concerns in Europe. The weaker US dollar added to the firmer tone. Weather developments in the Black Sea region and South America are critical for market direction for the short to medium term. Futures on major exchanges: Kansas futures(KCBT): Wheat for May-12 advanced by 1.8% w/w at \$265/t, Jul-12 was up 1.8% w/w at \$268/t, Sep-12 was up 1.6% w/w at \$272/t. Wheat futures on Chicago: Wheat for May-12 advanced by 1.9% w/w at \$248/t, Jul-12 was up 2.1% w/w at \$253/t, Sep-12 was up 2.2% w/w at \$259/t.



- Domestic:** Wheat prices continued to advance on spillover strength in CBOT despite a stronger Rand.

Weekly wheat prices increased by 0.7% w/w to close at R2,770/t. Wheat import parity prices strengthened on the back of higher international prices. Wheat imports for the 2011/12 marketing advanced to 569,275 tons and exports to 81,243 tons.

Wheat futures on JSE ended firmer: Wheat for May-12 increased by 0.8% w/w (+R24/t), Jul-12 was up 0.7% w/w (+R19/t).

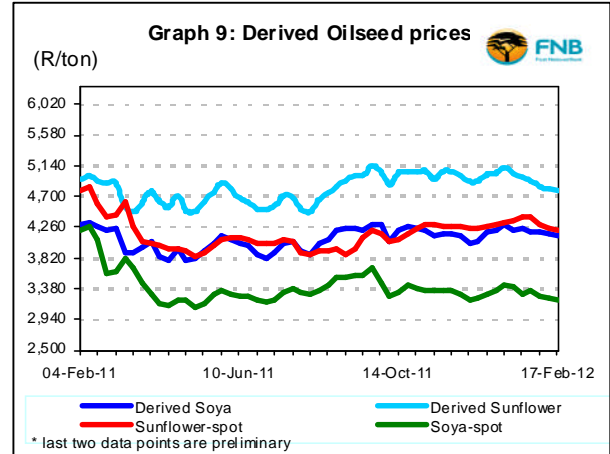
OUTLOOK

Prices are expected to trend lower in the short term, but upside potential remains given the depleted domestic stocks.

| Wheat Futures 03 February 2012 | Mar-12 | May-12 | Jul-12 | Sep-12 | Dec-12 | | | |
|--|--------|--------|--------|--------|--------|--------|-----|------|
| KCBT (\$/t) | 265.01 | 268.05 | 272.18 | 272.18 | 278.79 | | | |
| JSE (R/t) | 2,811 | 2,870 | 2,894 | 2,910 | - | | | |
| Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005) | | | | | | | | |
| Mar-12 | | | May-12 | | | Jul-12 | | |
| Ask | Put | Call | Ask | Put | Call | Ask | Put | Call |
| 2,851 | 73 | 33 | 2,920 | 136 | 86 | 2,940 | 172 | 126 |
| 2,811 | 50 | 50 | 2,880 | 113 | 103 | 2,900 | 150 | 144 |
| 2,771 | 32 | 72 | 2,840 | 93 | 123 | 2,860 | 129 | 163 |

Oilseed market trends (Graph 9)

- International:** US soybean prices eased marginally lower compared to last week. However, improving production conditions due to rains in Argentina helped limit further losses. Prices trended higher in the product category with soymeal advancing by 4.1% w/w at \$323/t and soyoil ending slightly firmer by 0.5% w/w at 51.00c/lb. Soybean prices fell by 0.6% w/w and 14.2% to close at \$472/t. Futures in the Soybean complex (CBOT): Soybean for May-12 was up 1.1% w/w at \$456/t, Jul-12 was up 1.1% w/w at \$460/t. Soymeal for Jul-12 was up 1.6% w/w at \$332/t, Aug-12 was up 1.6% w/w at \$331/t, Sep-12 was up 1.6% w/w at \$330/t. Soyoil for Jul-12 was up 1.1% w/w at 52.97c/lb, Sep-12 was up 1.1% w/w at 53.19c/lb, Dec-12 was up 1.1% w/w at 53.45 c/lb.
- Domestic:** Oilseeds traded on JSE finished lower on the back of lower CBOT prices and a stronger Rand. Soybean prices fell by 2.7% w/w and 22.5% y/y to close at R3,263/t. Sunflower prices fell by 2.3% w/w and 10.3% y/y, closing at R4,291/t. Sunflower futures on the JSE: Sunflower for May-12 fell by 1.6% w/w (-R70/t), Jul-12 fell by 2.0% w/w (-R87/t). Soybean futures: Soybean for May-12 fell by 3.5% w/w (-R118/t), Jul-12 fell by 3.4% w/w (-R119/t), Sep-12 fell by 3.3% w/w (-R115/t).

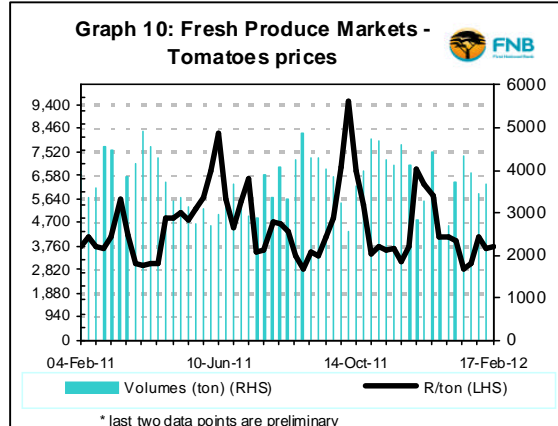

OUTLOOK

The market is expected to maintain a softer trend in the short to medium term with limited upside potential.

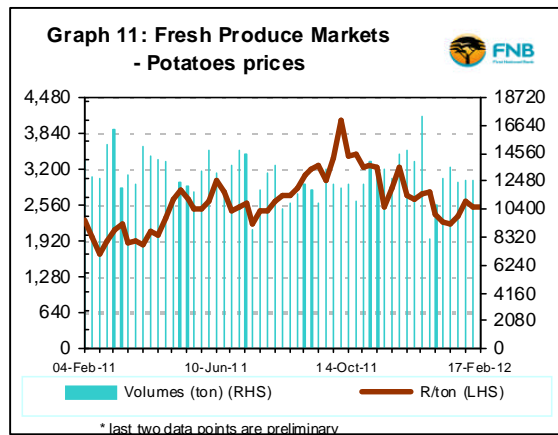
| Oilseeds Futures 03 February 2012 | Mar-12 | May-12 | Jul-12 | Sep-12 | Dec-12 | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|------------|-------------|
| CBOT Soybeans (US \$/t) | 452.83 | 455.84 | 459.37 | 456.14 | - | | | |
| CBOT Soya oil (US c/lb) | 51.65 | 52.08 | 52.49 | 52.74 | 52.98 | | | |
| CBOT Soya cake meal (US\$/t) | 328.60 | 330.20 | 332.60 | 330.50 | 326.80 | | | |
| JSE Sunflower seed (R/t) | 4,290 | 4,260 | 4,320 | 4,384 | - | | | |
| JSE Soybean seed (R/t) | 3,285 | 3,300 | 3,341 | 3,417 | - | | | |
| Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005) | | | | | | | | |
| Mar-12 | | | May-12 | | | Jul-12 | | |
| Ask | Put | Call | Ask | Put | Call | Ask | Put | Call |
| 4,340 | 118 | 68 | 4,300 | 210 | 170 | 4,360 | 358 | 318 |
| 4,300 | 95 | 85 | 4,260 | 188 | 188 | 4,320 | 336 | 336 |
| 4,260 | 75 | 105 | 4,220 | 168 | 208 | 4,280 | 315 | 355 |

Vegetable Market Trends (Graphs 10 to 14)
Tomatoes

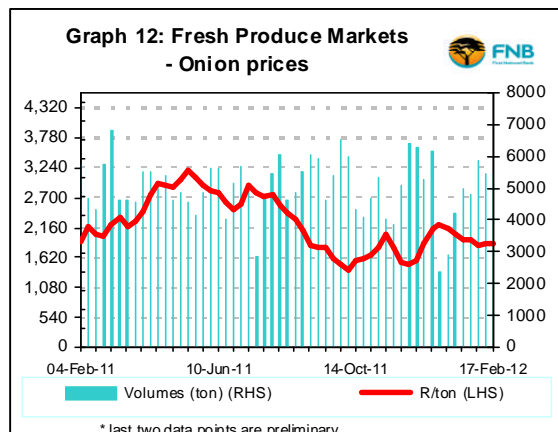
Tomato prices continued to post strong gains due to a combination of good uptake and limited supplies across most markets. Prices increased by 32.6% w/w and 10.3% y/y, closing the week at R4,115/ton. Volumes traded fell by 11.6% and 13.1% y/y, coming in at 3,462 tons. It is however expected that prices will soften somewhat in the short term on weak demand.


Potatoes

Potato prices retained upward momentum on the back of limited supplies on markets. Prices were up 10.9% w/w and 15.0% y/y, closing at R2,647/ton. Volumes traded were pegged at 12,478 tons, up 0.7% w/w but down 11.8% y/y. It is expected that prices trade sideways with limited upward potential.


Onions

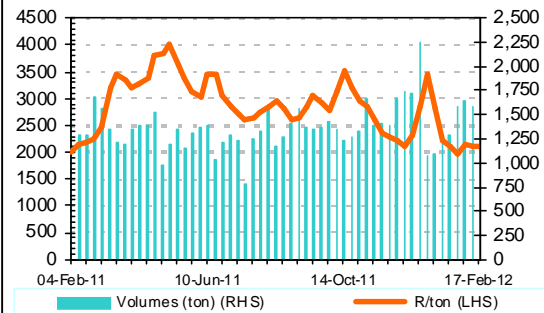
Onion prices decreased under pressure due to increased supplies on markets. Prices decreased to R1,855/ton, down 4.0% w/w and 2.1% y/y. Volumes traded were pegged at 5,845 tons, up 21.6% w/w and 2.1% y/y. Prices are however expected to trend sideways with upside potential.



Carrots

Carrot prices continued to strengthen due to good uptake on markets. Prices were up 8.5% w/w and 7.9% y/y and closed the week at R2,153/ton. Volumes traded reached 1,637 tons, up 2.8% w/w and 4.6% y/y. Prices are expected to retain the firmer trend in the short term due to limited supplies across most markets.

Graph 13: Fresh Produce Markets - Carrot prices

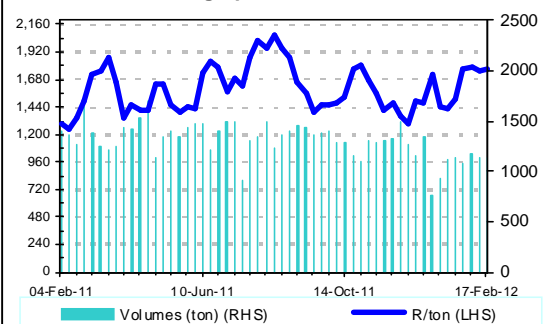


* last two data points are preliminary

Cabbages

Cabbage prices moved marginally higher due to good uptake on markets. Prices advanced by 0.4% w/w and 37.9% y/y to close at R1,785/ton. Volumes traded reached 1,174 tons, up 9.8% w/w but still down 15.5% y/y. Prices are expected to move sideways with further downward potential towards midmonth.

Graph 14: Fresh Produce Markets - Cabbage prices



* last two data points are preliminary

**Vegetable prices: South Africa's Major Fresh Produce Markets.
(Average Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)**

| Week ending 03 February 2012 | Average Price (R/t) | w/w | Y/y | Total Volume (t) | w/w | Y/y |
|---------------------------------|------------------------|-------|-------|---------------------|--------|--------|
| Tomato | 4,115 | 32.6% | 10.3% | 3462 | -11.6% | -13.1% |
| Potato | 2,647 | 10.9% | 15.0% | 12478 | 0.7% | -11.8% |
| Onion | 1,855 | -4.0% | -2.1% | 5845 | 21.6% | 2.1% |
| Carrot | 2,153 | 8.5% | 7.9% | 1637 | 2.8% | 4.6% |
| Cabbage | 1,785 | 0.4% | 37.9% | 1174 | 9.8% | -15.5% |

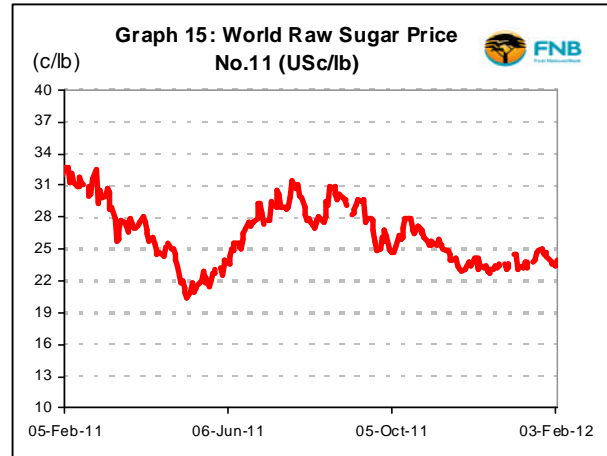
* Daily prices also available at <https://www.fnbagricomms.co.za>

Sugar market trends (Graph 15)

- International:** World raw sugar prices reversed gains and declined on indications of increased supplies and demand concerns due to slowing and weak economies especially in the Euro zone. The supply outlook remains bearish with good crops for Russia and Europe while India is reportedly back in the export market after lifting export controls. The exception is Brazil with unfavourable weather conditions expected to reduce output. Raw sugar prices fell by 3.9% w/w and 29.4% y/y and finished the week at 23.70c/lb.

Raw Sugar futures on ICE (US c/lb): Raw sugar for May-12 fell by 1.8% w/w 23.25c/lb, Jul-12 fell 1.9% w/w 22.77c/lb, Mar-13 fell by 0.5% w/w at 24.05c/lb, Jul-13 was up 0.4% w/w at 23.58c/lb.

- Domestic:** On the local market, the monthly 2011/12 RV (Recoverable Value) price a measure of the value of sugar and molasses that will be recovered from the sugarcane delivered by the individual grower during December 2011, dropped by R1.83/t m/m and came in at R2,993.58/t. According to the Cane Growers Association report, the decrease in price is due to an increase of 5,655 ton in sugar production (1,835,346 tons vs. 1,829,691 tons) and the reduction in the sugar: RV ratio (93.59% vs. 94.05%). The Association still projects the RV price for the season to reach R3,019.00/ton.



| ICE Sugar Futures 03 February 2012 | May-12 | July-12 | Oct-12 | Mar-13 | May-13 |
|---|---------------|----------------|---------------|---------------|---------------|
| Sugar No.11 (US c/lb) | 23.25 | 22.77 | 23.20 | 24.05 | 23.79 |
| % Change w/w | -1.8% | -1.9% | -1.6% | -0.5% | 0.0% |

Disclaimer:

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