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Agri-Weekly

FNB
First National Bank

05 February 2015

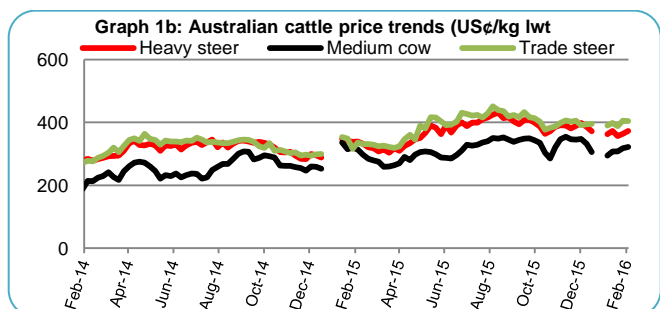
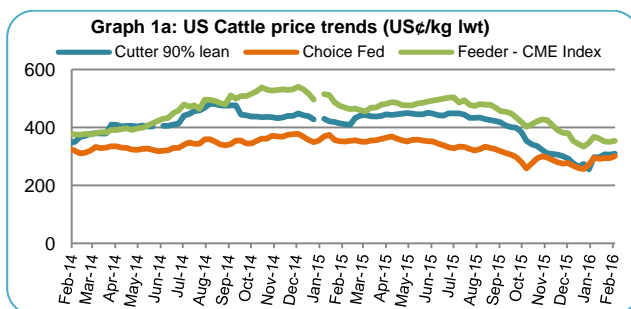
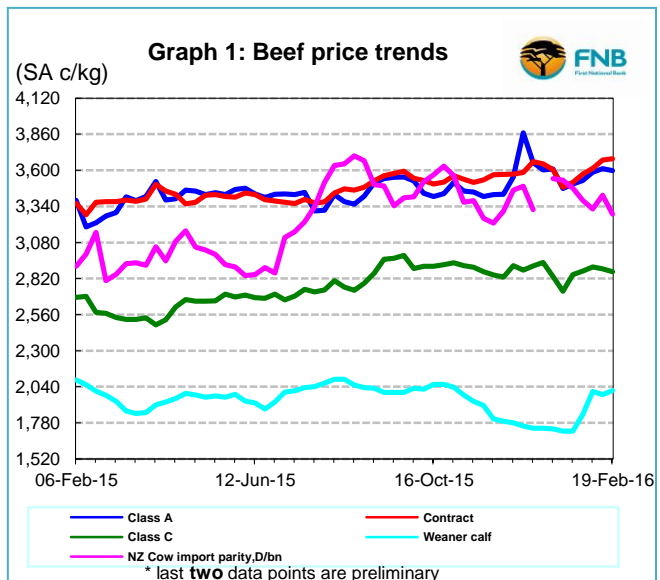
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Beef market trends (Graph 1)

International:

- In the US, imported beef trade was reportedly moderate with prices retaining the recent uptrend. Domestic demand at retail and food service was reportedly good, lending further support.
- US Boxed beef cutout values rebounded and closed the week marginally higher. Choice beef prices were a bit firmer at \$221.84/cwt, but down 8.2% y/y. Select cutout values closed marginally higher on the week at \$217.26/cwt, but still down by 7.6% y/y
- In the cattle market, the CME Feeder Cattle Index reversed recent gains and finished down 1% w/w and 204.2% y/y at US\$159.67/cwt.
- Weekly US cattle slaughter dropped to 534,000 head, down 5.8% and 2.2% y/y. Year to date estimated cattle slaughter was however still down on last year by 2.5% at 2.85m head. The total estimated beef production was pegged at 1.1m 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, cattle prices posted modest gains with the Eastern Young Cattle Indicator (EYCI) increasing by 7.2% w/w but still down by 3.2% y/y at AU\$5.52/kg cwt.
- 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.



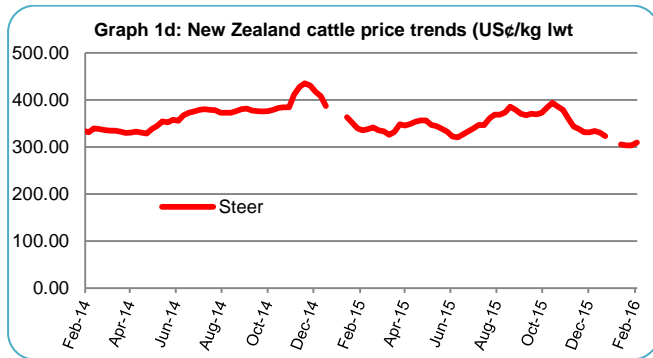
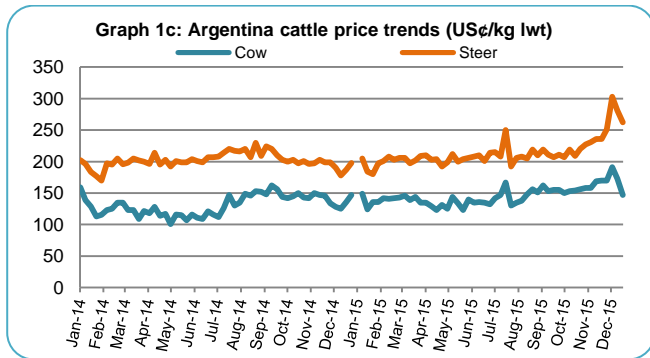
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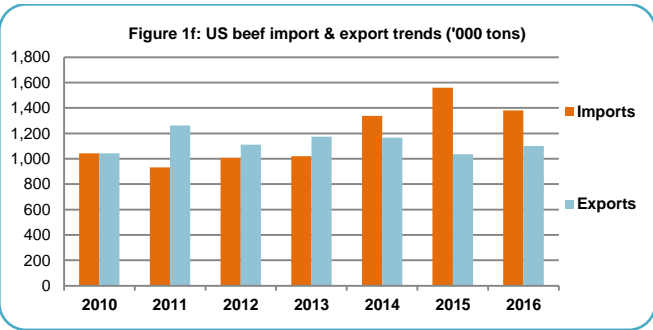
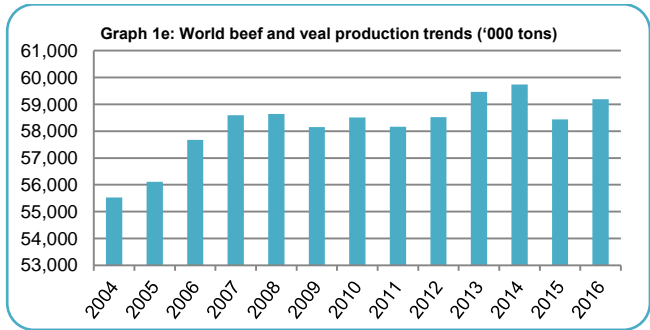
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Source: MLA



Source: USDA, PSD

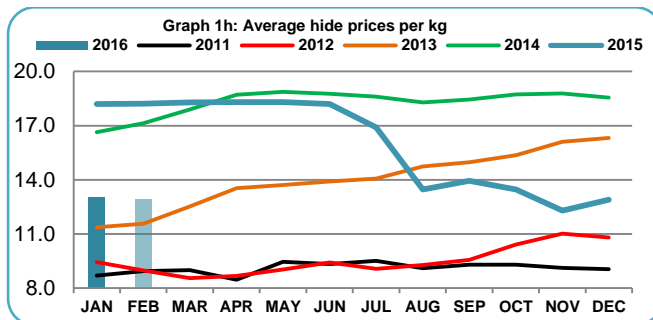
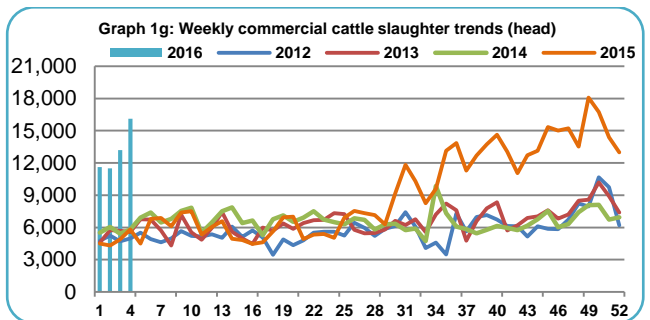
Domestic:

- The beef market saw further gains as supplies tightened due to improved production conditions as a result of recent rains. The marketing of cattle has slowed down as producers hold on to their stock for a bit longer.
- Weekly Class A beef prices increased by 1.7% w/w and 6.0% y/y at R35.86 per kg.
- Contract Class A beef prices gained 1.2% w/w and 7.5% y/y at R36.15 per kg.
- Class C beef prices increased by 1.0% w/w and 8.1% y/y at R29.03 per kg.
- In the weaner market, prices continued to strengthen on the back tight supplies as a result of the improved production conditions. Weaner calf prices jumped 9% on the week to close at R20.06 per kg live weight, but were still down by 4% y/y.

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, the short to medium term price outlook remains bullish due to the drought induced tight supply tightness and the seasonal increase in demand ahead of the Easter period. Cattle 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 remain under pressure in 2016 due to tight domestic supply outlook for feed-grains and the resultant surge in prices particularly for maize.



Source: RMMA; Hides: the FEB 2016 figure is preliminary

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Sheep market trends (Graph 2)

International:

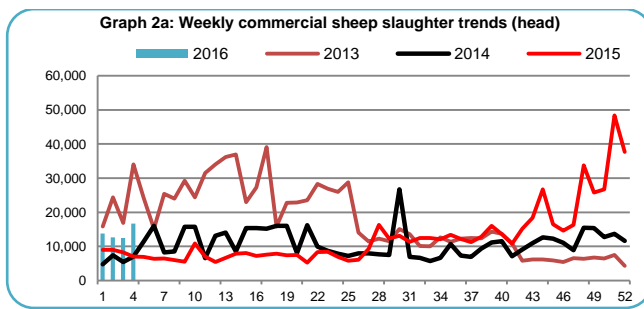
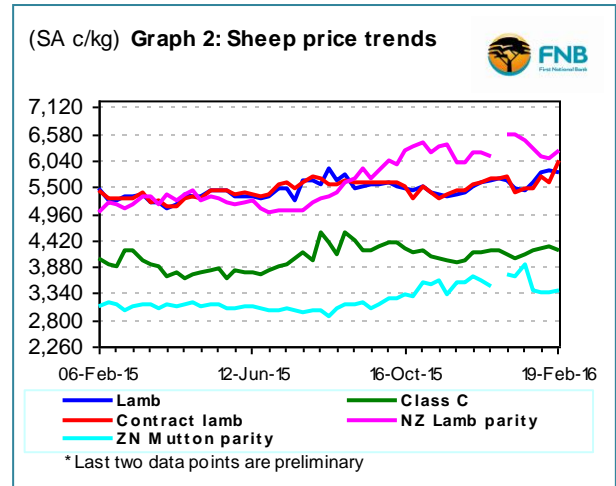
- In Australia, sheep market indicators ended mixed with the National Trades Lamb finishing marginally down at AU\$5.49/kg cwt while the mutton indicator rose by 7% w/w at AU\$3.06/kg cwt.
- In New Zealand (NZ), the lamb market maintained a softer trend with the 17.5kg lamb easing further to NZ\$82.10/ head, which is 4% lower y/y. The mutton market on the other hand continued to post marginal gains, finishing the week at NZ\$46.20/ head, which is down by 10% y/y.
- On the export front, margins have been under pressure due to the confluence of the stronger NZ dollar and sluggish demand in major international destinations. Chinese demand has reportedly been waning while the Middle East remains adequately supplied.
- In the US, the carcass cutout prices reversed eased further by 0.5% w/w and 5.4% y/y at US\$323.18/cwt. The weekly sheep slaughter number came in unchanged at 40,000 head, but up 11.1% y/y. The cumulative year to date sheep slaughter reached 190,000 head, which is up 1.1% y/y.
- US lamb production for the year to date was unchanged compared to the same period last year at 6,030 tons.

Domestic:

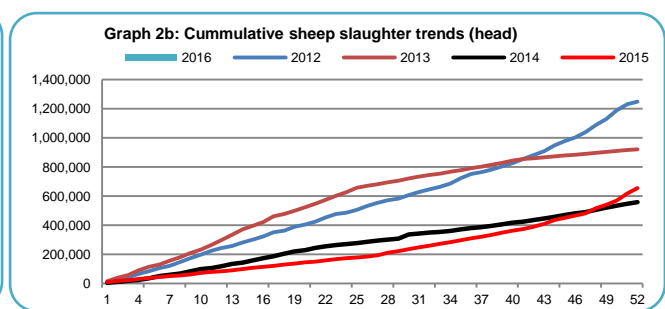
- Lamb and mutton markets posted strong gains on limited supplies and improved uptake across markets.
- Weekly Class A lamb prices increased by 4% w/w and 6% y/y at R58.03 per kg.
- Contract Class A lamb prices advanced by 5% w/w and 6% y/y at R57.22 per kg.
- Mutton prices gained 1% w/w and 5% y/y to close at R42.39 per kg.
- In the weaner market, prices rose sharply on the back tight supplies and better carcass prices. Weekly weaner lamb prices increased by 6% w/w and 20% y/y to close at R27.17 per kg live weight.

OUTLOOK

The upward trend will continue in the short to medium term on supply shortages and increased seasonal demand heading into the Easter period.



Source: RMMA

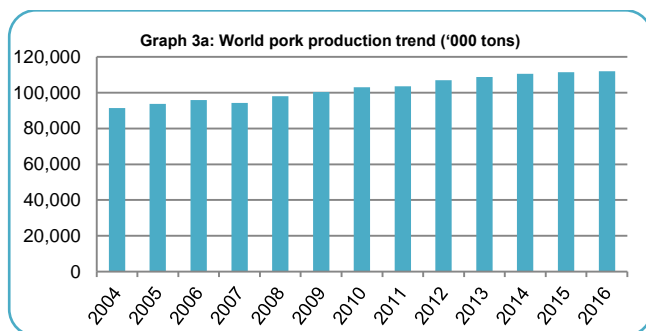
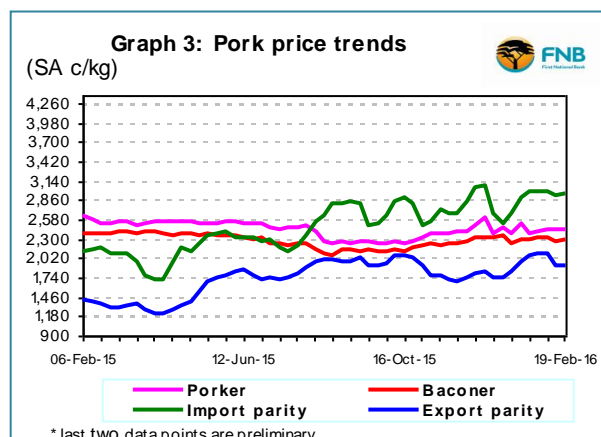


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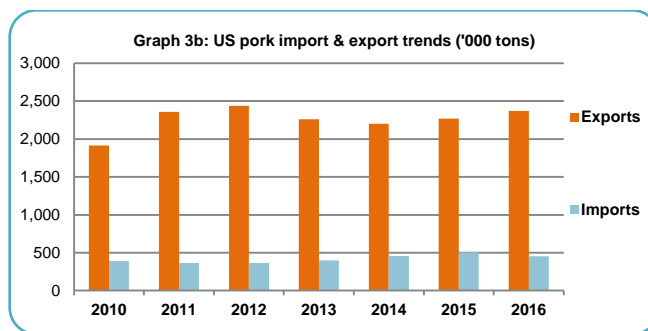
Pork market trends (Graph 3)

International:

- US pork prices continued to post good gains and finished up 1.1% w/w and 2.6% y/y at US\$77.23/cwt.
- Loin prices were almost unchanged from last week at US\$82.35/cwt, which is down by 3.3% y/y.
- Rib prices increased by 1.3% w/w but still down by 3.6% y/y at US\$141.28/cwt.
- Ham prices continued to trend higher, finishing up 2% w/w and 0.4% y/y at US\$57.96/cwt.
- The CME Lean Hog Index was estimated around \$64.30 for February 4th, up 5.2% from last week. It has now maintained the level above US\$60.
- The USDA estimated US pig slaughter number came in at 2.18m head, down 6.3% w/w and 3.4% y/y. The estimated year-to-date pig slaughter reached 11.86m head, which is marginally down by 0.8% y/y. The estimated total pork production for the year to date reached 1.14m 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 December 2015 USDA Quarterly Hogs and Pigs report 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:

- Prices continued to trend firmer with baconers closing at R23.15 per kg, but still down by 3% y/y.
- Weekly porker prices were a bit firmer at R24.23 per kg, but still down by 8.4% y/y.
- Import parity prices continued to soften as the higher international prices were offset by further gains in the Rand/ US dollar exchange rate.
- Meanwhile, there is not respite on the feeding side as maize prices remain elevated thus placing further pressure on producer margins. This will force producers to adopt more efficient measures in their operations or scale down on production.

OUTLOOK

Prices are expected to retain the current momentum in the short to medium with higher input costs due to expensive raw feed material which are 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.

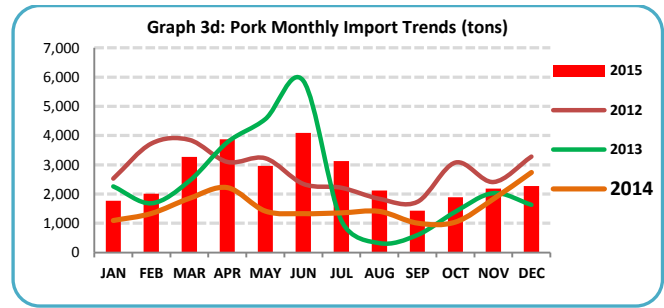
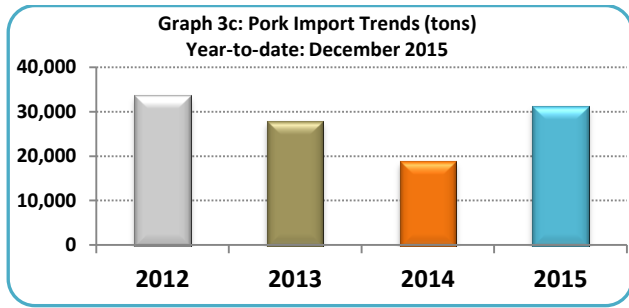
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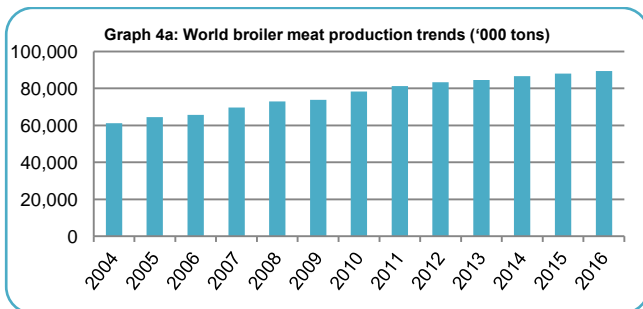
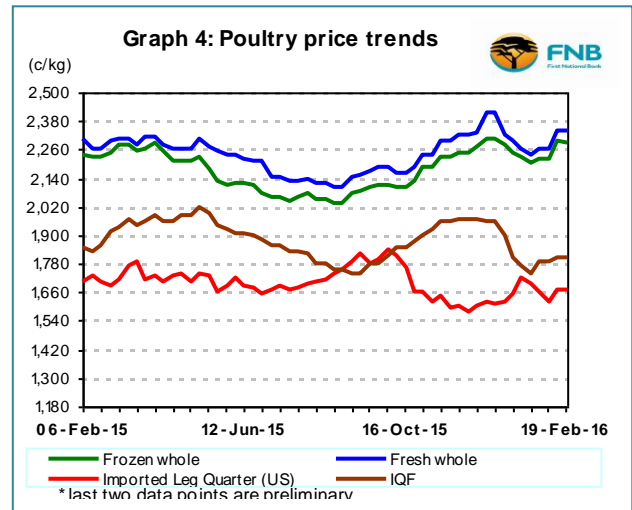


Source: SAPPO, SARS, Own Calculations

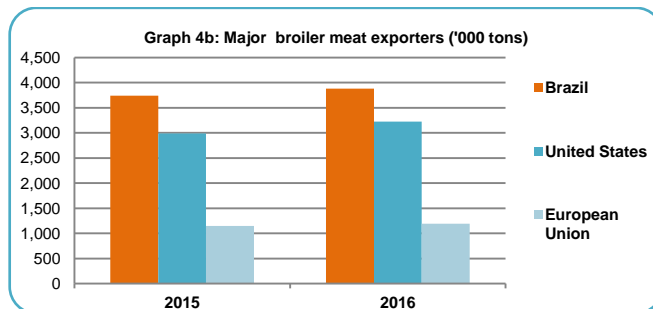
Poultry market trends (Graph 4)

International:

- Prices ended mixed in the US broiler complex with whole birds maintaining a softer trend and finished at US112.20 cents/lb, which is 1.6% lower y/y.
- In the portions structure, prices were mostly steady with the exception of the leg quarters which closed down 1.4% w/w and 33.3% y/y at US34.00 cents/lb.
- Drumsticks prices rebounded sharply to close at US43.50 cents/lb, up 20.8% w/w but still down by 27.5% y/y.
- Breast cuts were marginally higher by 0.5% w/w but still down by 21.6% y/y at US100.00 cents/lb.
- Wings prices gained 1.2% w/w but still down by 1.2% y/y at US168.00 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:

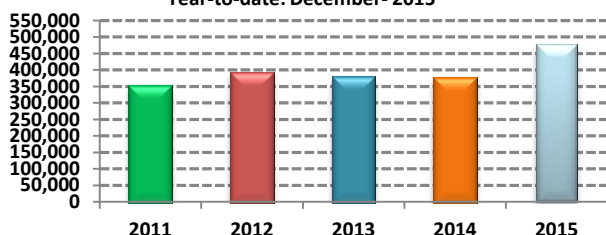
- Prices were mostly steady for the week. Demand remains relatively subdued as consumers are cash strapped post the festive period and face competing expenditure needs such as school requirements as well as debt servicing given the interest rate hikes.
- Individually Quick Frozen (IQF) steadied but still down by 3.6% y/y at R17.86 per kg.
- In the whole bird category, medium frozen whole birds were unchanged at R22.17 per kg, but still 1.1% lower than last year.
- Medium fresh whole bird prices closed at R22.64 per kg, unchanged w/w but still down by 1.9% y/y.
- Import parity prices continued to weaken mainly due to further gains in the Rand/ US dollar exchange rate despite better international prices. Weekly import parity prices fell by 2.6% w/w and 5% y/y.

OUTLOOK

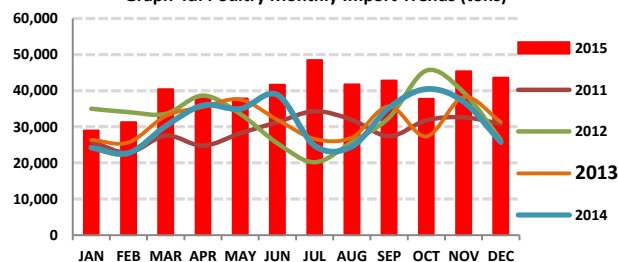
The short to medium term outlook for international prices remains bearish given the strong inventories and increased production outlook particularly out of the US. While bird flu remains a problem in the US, it is confined to particular states allowing others to increase output.

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 05 February 2016	Beef	Mutton	Pork	Poultry
Open market: Class A / Porker / Fresh whole birds(R/kg)	35.86	58.03	24.23	22.64
Open market: Class C / Baconer / Frozen whole birds(R/kg)	29.03	42.39	23.05	22.17
Contract: A2/A3* / Baconer/ IQF (*includes fifth quarter) (R/kg)	36.15	57.22	23.15	17.86
Import parity price (R/kg)	33.20	33.44	29.84	16.19
Weaner Calves / Feeder Lambs (R/kg)	20.06	27.17		

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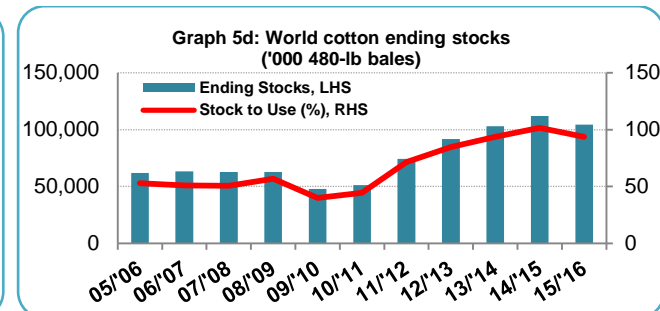
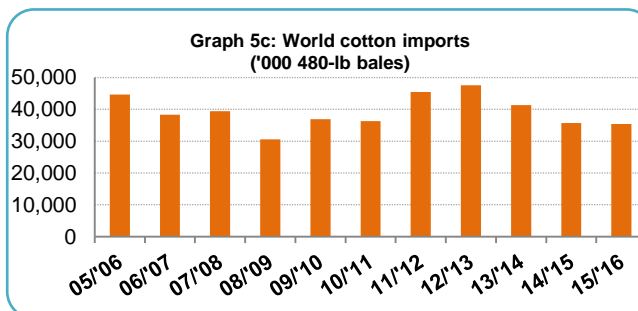
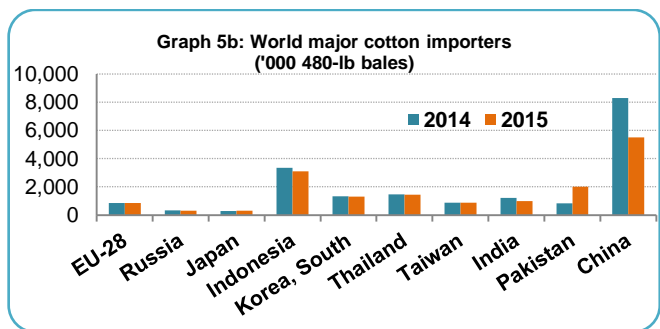
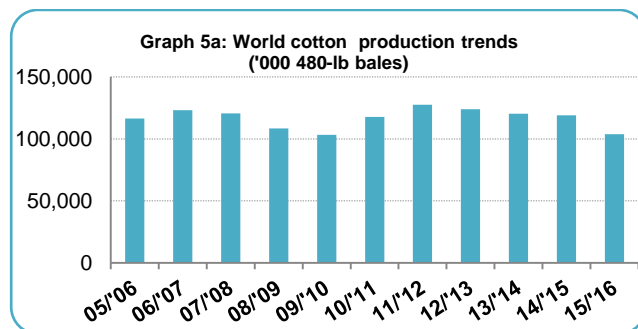
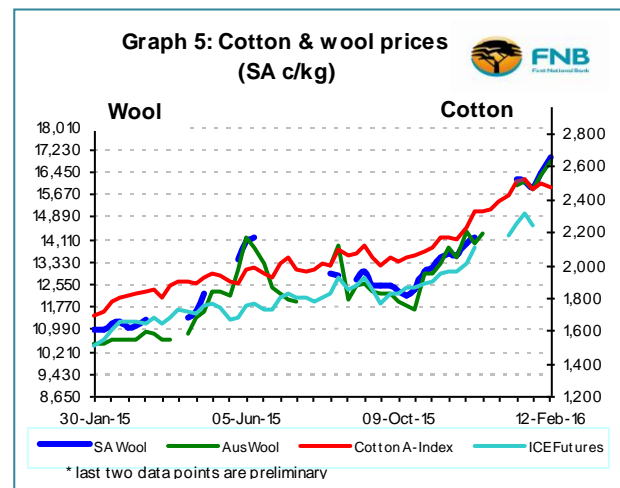
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Wool and cotton market trends (Graph 5)

International:

- The cotton A index moved sideways as macroeconomic concerns were offset by the weaker US dollar.
- US export sales surged on the back of a weaker US\$, coming in at 251,600 bales which is up by a staggering 96% w/w and 75% from the four week average. Main buyers were Turkey, Vietnam, Pakistan, Indonesia and China.
- US cotton farmers are reportedly intending to expand plantings by 7% y/y to estimated 9.2m acres.
- Uncertainties over China's cotton reserve and the cooling economy continue to pose downside risk on the market.
- Cotton prices were virtually unchanged w/w and y/y, closing at US68.26 cents/lb.
- In the futures markets, prices weakened across the board with the May contract closing down 1.6% over the week at US60.6 cents/lb, while the Jul-16 contract dropped 1% w/w and closed at US61.3 cents/lb.



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

- Wool market: Prices weakened on subdued demand from China. The weekly AWEX Eastern Market Indicator (EMI) lost 1.3% over the week to settle at AU\$12.65 per kg clean wool. Sales reached 89.6% of 44,906 bales offered.

Domestic:

- The Cape Wools Merino indicator posted further losses on spill over weaknesses from the international market. The indicator lost 1.3% w/w but was 43% higher on last year at R156.86 per kg (clean). At this level, the indicator was 21% higher compared to the opening sale of the season and 16% compared to the season to date average.
- Major wool buyers were Lempriere SA 2,651 bales (31.3%), G Modiano SA with 2,201 bales (26%), Standard Wool SA with 1,822 bales (21.5%), and Stucken & Co with 985 bales (11.6%).

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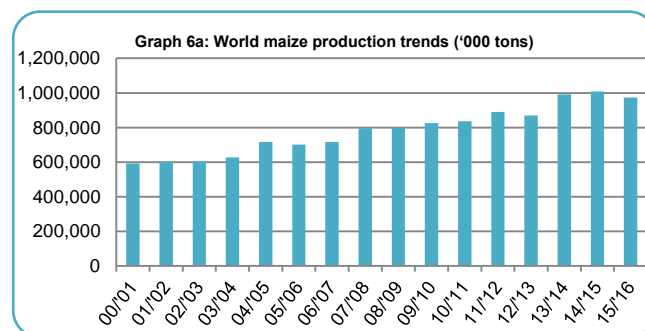
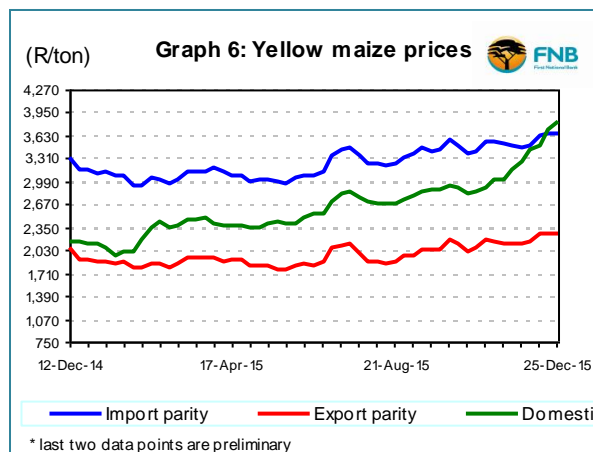
Fibre market prices 05 February 2016	SA prices (R/kg)	Australian prices (R/kg)	Australian futures Jul-16 (AU\$/kg)	Australian futures Sep-16 (AU\$/kg)
Wool market indicator (R/kg)	156.86	145.95		
19µ long length wool (R/kg)	173.24	162.85	13.36	13.21
21µ long length wool (R/kg)	156.64	158.18	12.95	12.80
23µ long length wool (R/kg)	-	154.37	12.15	12.00
Fibre market prices 05 February 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)	24.07	1.50	1.33	1.35

Cotton Futures - InterContinental Exchange (ICE);

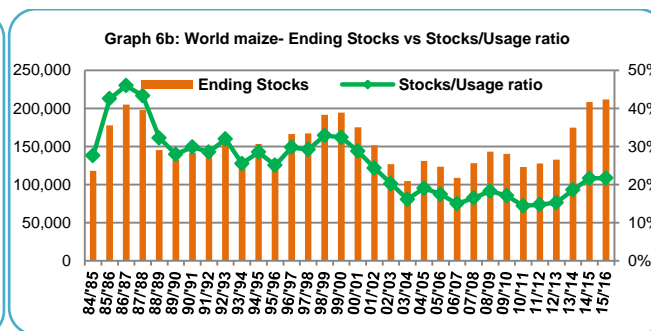
Yellow maize market (Graph 6)

International:

- Maize prices trended mostly sideways on lack of supportive news.
- In Brazil, recent estimates by private analysts showed an increase in production. The agency Conab raised its production estimate by 1m ton to 83.3m tons. Conditions are reportedly improving with rains expected in the near term.
- Meanwhile, the Baltic freight index continued to trend lower as global demand for commodities plummeted. This combined with lower crude oil prices will benefit importers as freight costs decline.
- World grain market has become competitive with grains from the developing market economies taking advantage of their weaker currencies.



Source: USDA, PSD



Domestic:

- Prices posted slight gains as recent reports point to an even tighter regional supply situation than was initially anticipated. According to Grain SA, Zimbabwe's 2016 maize crop is reportedly expected to reach 200,000 tons, this will be met by 400,000 tons of last year stocks to service consumption of 2.7m tons. This will therefore prompt about 2m tons of import demand, well above the 1.2m tons initially estimated.
- Weekly yellow maize prices averaged R3, 906 per ton up 2% w/ and 80% higher y/y.
- Exports for the week ended 5th February 2016 were pegged at 3,478 tons, all destined for the neighbouring countries.
- Imports came in at 69,638 tons, all sourced from Brazil. Cumulative year to date figure is at 868,242 tons.

OUTLOOK

Prices are expected to retain the recent uptrend on supply shortages in the Southern Africa region. Meanwhile, the recent showers are expected to boost crop development as the growing season tails off.

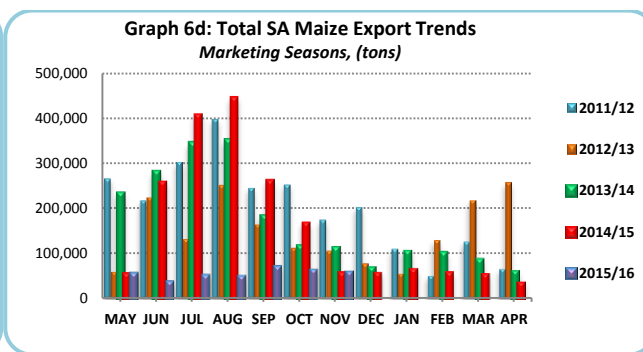
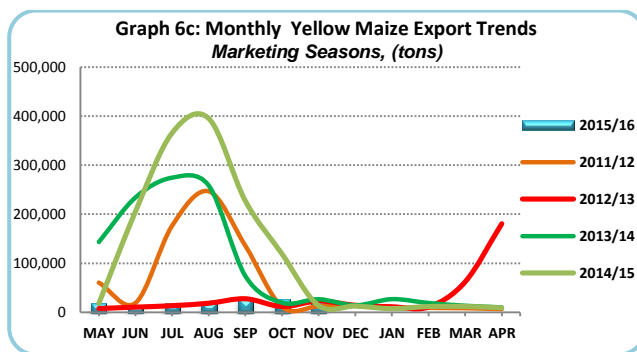
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Source: SAGIS,

Yellow Maize Futures 05 February 2016	Mar-16	May-16	Jul-16	Sep-16	Dec-16
CBOT (\$/t)	144.05	146.02	148.14	150.11	153.34
JSE (R/t)	3,885	3,569	3,605	3,605	3,627
CHICAGO CORN (R/t)	2,318	2,382	2,427	-	-

Calculated Yellow Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Mar-16			May-16			Jul-16		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
3,660	384	344	3,600	381	350	3,640	397	362
3,620	361	361	3,560	358	367	3,600	374	379
3,580	340	380	3,520	337	386	3,560	353	398

White maize market trends (Graph 7)

International:

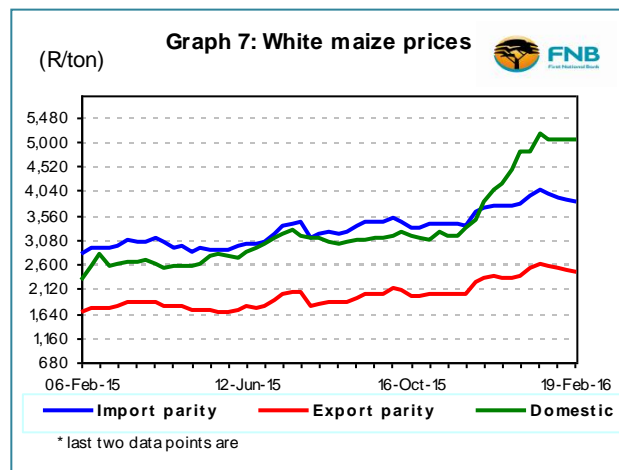
- Prices moved sideways mainly supported by good export demand, but overall abundance of grains continue to limit growth.
- Weekly average white maize prices came in at US\$156 per ton, virtually unchanged w/w and up 8% y/y.

Domestic:

- Prices were relatively flat due to the improved crop conditions despite concerns over regional shortage.
- Prices were virtually unchanged over the week, averaging, R5,048 which is up 122% y/y.
- Exports for the week ended 5th February 2016 were pegged at 8,177 tons, with the cumulative season to date reaching 345,503 tons, all destined to neighbouring countries.
- Imports for the week came in at 702 all sourced from Zambia, and cumulative year to date imports stand at 72,261 tons.

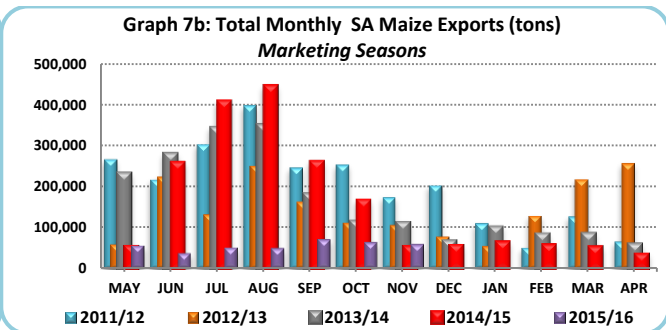
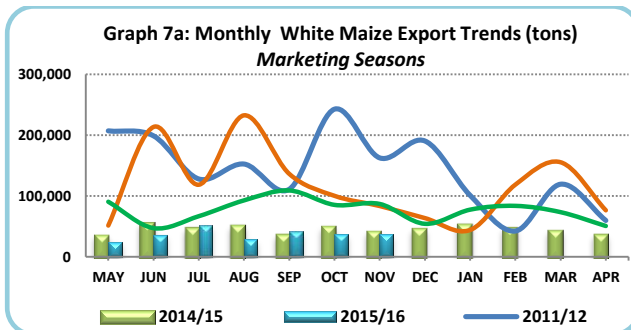
OUTLOOK

Prices are expected to retain the recent uptrend on supply shortages in the Southern Africa region. Meanwhile, the recent showers are expected to boost crop development as the growing season tails off.



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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	5,018	4,931	4,846	4,846	4,855			
Calculated White Maize Options prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Mar-16			May-16			Jul-16		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
4,980	600	551	4,880	587	546	4,880	548	514
4,940	577	568	4,840	565	564	4,840	525	531
4,900	555	586	4,800	542	581	4,800	504	550

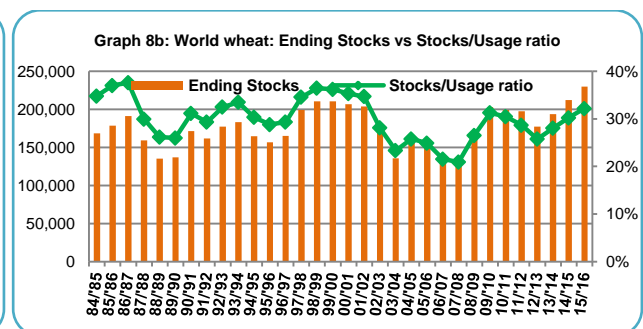
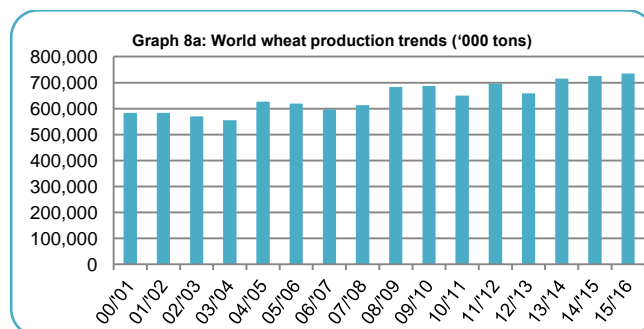
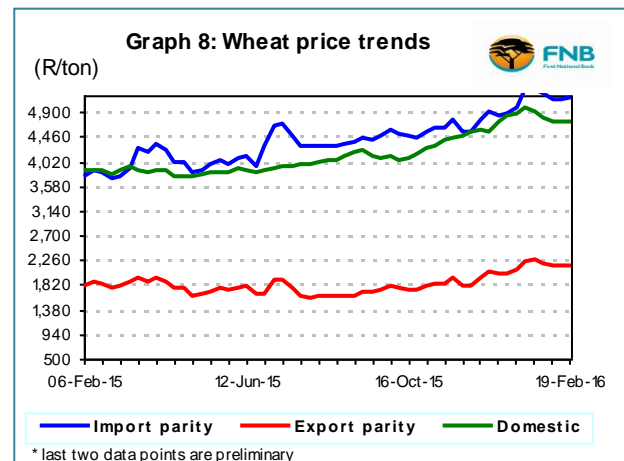


Source: SAGIS;

Wheat market trends (Graph 8)

International:

- Wheat prices weakened on selling pressure and increased competition from the Black Sea region.
- Uncertainties surrounding the Egyptian import policies regarding the ergo affected wheat continued to weigh heavily on the market.
- In its weekly export sales report, the US recorded a marketing year low of 66,200 tons, down 78% w/w and well below trade expectations of 200,000 to 400,000 tons.
- In order to achieve self-sufficiency, Iran is reportedly banning state imports of all foreign wheat for a year.
- Reports out of Brazil indicate that the country's wheat crop has been negatively affected by the heavy rains and as such output could reach only 5.6m tons. As a result, the country would have to import an estimated 6.5m tons from its neighbours or the US.
- Wheat stocks in Canada are reportedly 24% down y/y at 16.4m tons, this provided some upside support.



Source: USDA, PSD

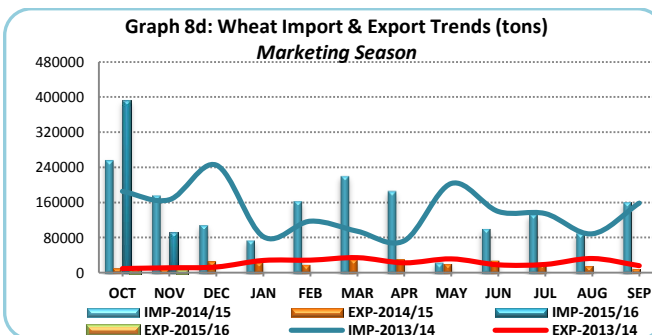
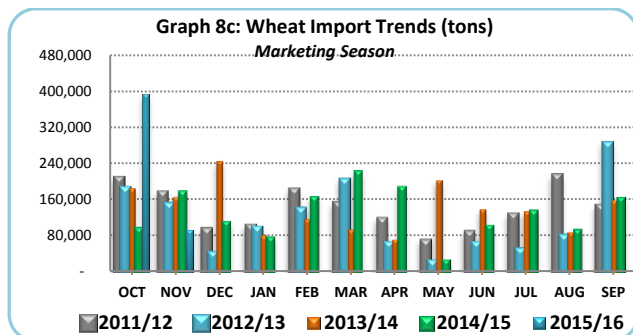
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Domestic:

- Wheat prices moved slightly lower on spill over weakness from the international markets.
- Weekly wheat prices were down 2% w/w but up 22% y/y at R4,731 per ton.
- Imports for the week ended 5th February 2016 came in at 102,641tons, sourced from Germany and Russia. 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;

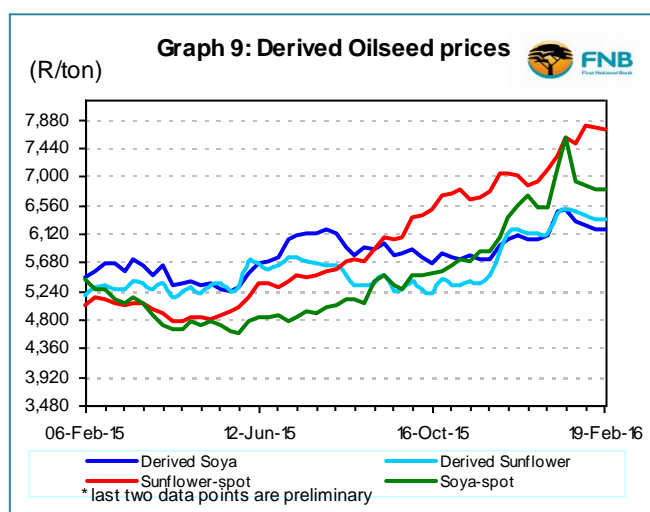
Wheat Futures 05 February 2016	Mar-16	May-16	Jul-16	Sep-16	Dec-16
KCBT (\$/t)	171.45	174.75	174.75	177.91	183.06
JSE (R/t)	4,713	4,793	4,846	-	-

Calculated Wheat Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Mar-16			May-16			Jul-16		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
4,840	319	272	4,880	327	293	4,840	319	272
4,800	297	290	4,840	306	312	4,800	297	290
4,760	276	309	4,800	285	331	4,760	276	309

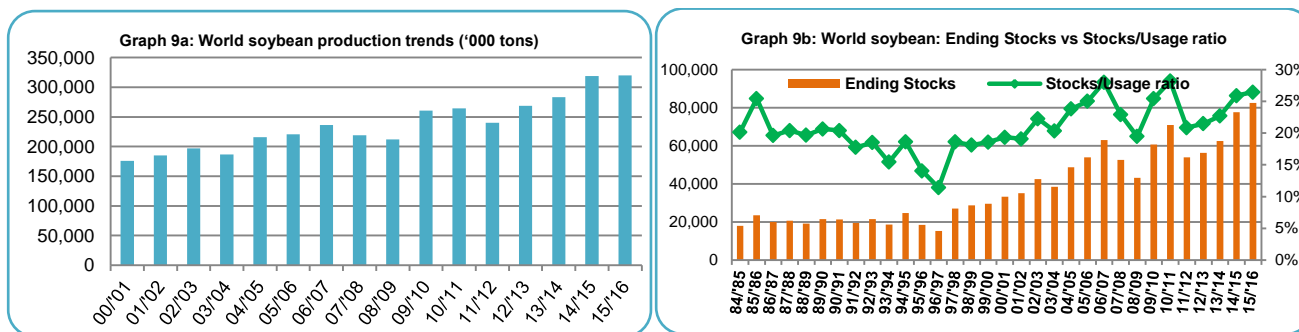
Oilseed market trends (Graph 9)

International:

- US prices ended mixed in the soybean complex with the product category posting gains on the back of improved demand and a weaker US dollar.
- Nonetheless, gains were limited due to the improved weather conditions in South America which bolstered expectations of a good crop from the season.
- Meanwhile, a crop consultant Michael Cordonnier has reportedly projected a 1m ton increase in the Brazilian soybean production to 98m tons.
- The Brazilian agency Conab has however lowered its estimate by 1.2m to 100.9m tons, which is still higher than market estimates.
- Weekly soybean prices fell by 1.4% w/w and 11% y/y, closing at US\$344/ ton.
- Soymeal prices were a bit firmer at US\$277/ ton, by still down by a whopping 23.8% y/y.
- Soyoil prices posted slight gains despite the general weakness in the crude oil market. Weekly soyoil prices advanced by 1.4% w/w at US30 cents/lb, but still down by 5.4% y/y.



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Source: USDA, PSD

Domestic:

- Prices were down across the oilseed complex with soybean posting losses due to the spill over weakness from the international market.
- Soybean prices averaged R6,8523/ton, down 1% w/w but up 27% y/y.
- Sunflower prices advanced were down 4% w/w at R7,786per ton, which is however 55% higher y/y.

OUTLOOK

It remains a weather market going forward as growing season tails off 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 05 February 2016	Mar-16	May-16	Jul-16	Sep-16	Dec-16
CBOT Soybeans (US \$/t)	318.71	320.11	322.46	323.42	-
CBOT Soya oil (US c/lb)	31.20	31.50	31.70	31.80	31.80
CBOT Soya cake meal (US\$/t)	292.11	293.99	296.85	299.50	301.48
JSE Sunflower seed (R/t)	7,760	7,060	6,785	-	-
JSE Soybean seed (R/t)	6,825	6,345	6,400	-	-

Calculated Sunflower Option prices (R/ton) RMB commodity desk (Tel: 011 269 9005)								
Mar-16			May-16			Jul-16		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
3,660	384	344	3,600	381	350	3,640	397	362
3,620	361	361	3,560	358	367	3,600	374	379
3,580	340	380	3,520	337	386	3,560	353	398

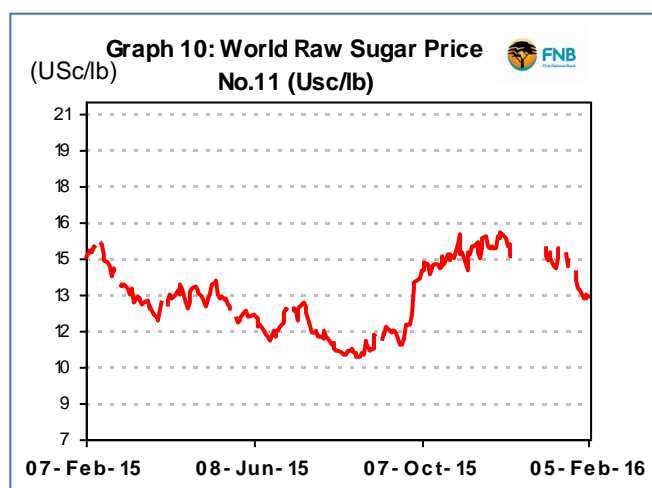
Sugar market trends (Graph 15)

International:

- Sugar prices dropped further by 5% w/w on the on improved production conditions in Brazil and large stocks of ethanol in the US.
- Raw sugar prices averaged US12.89 cents/lb, down 5% w/w and 11% y/y.
- Futures were mixed with sugar for May-16 delivery closing slightly higher at US13.14 cents/lb, while sugar for Jul-16 eased on the week slightly to US13.21 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.



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- Though the world No.11 contract was softer, this was offset by the weaker currency. At this stage 29,606 tons remains in the crop buffer in the event that there is any further decline in the production estimate.

ICE Sugar Futures 05 February 2016	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%

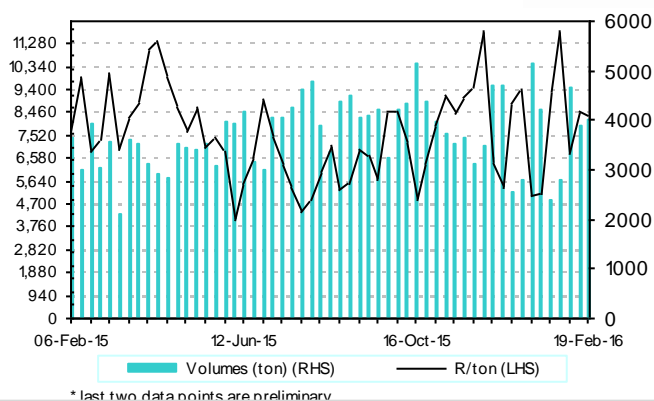
Vegetable Market Trends (Graphs 11 to 15)

Tomatoes

Tomato prices posted sharp losses as a result of higher volumes across markets. The average weekly tomato prices were down 43% w/w and 12% y/y, closing at R6,755 per ton. Volumes of tomatoes traded reached 4,666 tons, up 66% w/w but down by 28% y/y.

Prices are expected to rebound slightly on moderation in supplies.

Graph 11: Fresh Produce Markets - Tomato prices

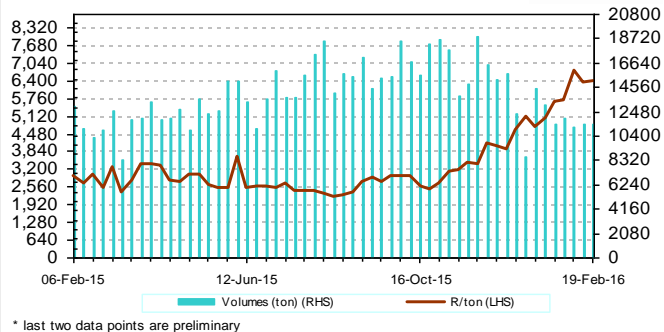


Potatoes

Potato prices rallied further on unseasonably lower supplies across markets. Weekly potato prices closed up 18% w/w at R6,752 per ton, which is 130% higher than year's level. Volumes of potatoes traded came in at 11,175 tons, down 6% w/w and 13% y/y.

It is expected that prices will carry the strong momentum in the short term on due to reduced supplies.

Graph 12: Fresh Produce Markets - Potato prices



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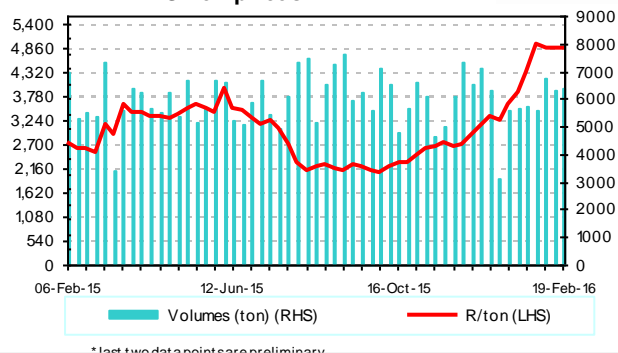
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Onions

The onion market ended weaker on supply pressure. Weekly onion prices were down 1% w/w but 78% higher y/y, closing at R4,897 per ton. Volumes of onions traded were 20% higher compared to last week but down 3% y/y at 6,755 tons.

It is however expected that prices will edge lower on moderation in demand in the short term.

Graph 13: Fresh Produce Markets - Onion prices

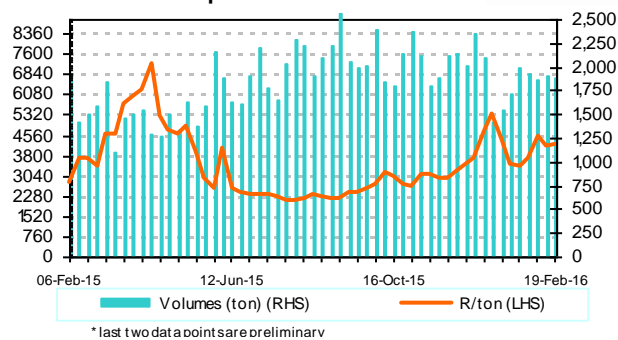


Carrots

Carrot prices carried the firm momentum as volumes were tighter across the major markets. Weekly carrot prices closed at R4,559 per kg, up 24% w/w and 64% higher y/y. Volumes of carrots traded came in at 1,871 tons, down 3% w/w and y/y.

The short term prices outlook has turned bearish due to volume pressure across markets.

Graph 14: Fresh Produce Markets - Carrot prices

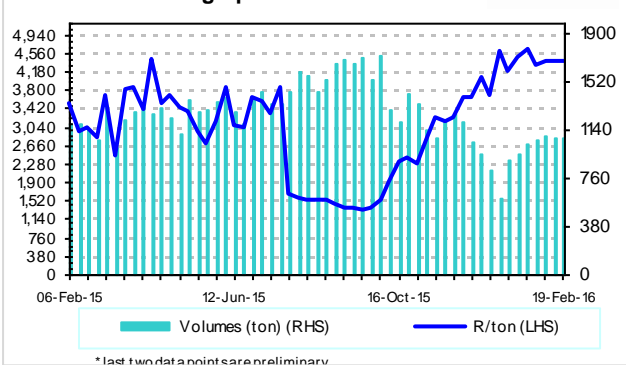


Cabbages

In the cabbage market, prices posted slight gains on increased month end demand. Weekly cabbage prices closed R4,378 per kg, up 1% w/w and 24% y/y. Volumes of cabbages traded reached 1,086 ton tons, up 3% w/w but down 9% y/y.

We expect prices to trend sideways in the short term on moderation in demand and improved volumes across markets.

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 05 February 2016	Average Price (R/t)			Total Volume (t)		
		w/w	y/y		w/w	y/y
Tomato	6,755	-43%	-12%	4666	66%	28%
Potato	6,752	18%	130%	11175	-6%	-13.3%
Onion	4,897	-1%	78%	6755	20%	-3%
Carrot	4,559	24%	64%	1871	-3%	-3%
Cabbage	4,378	1%	24%	1086	3%	-9%

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

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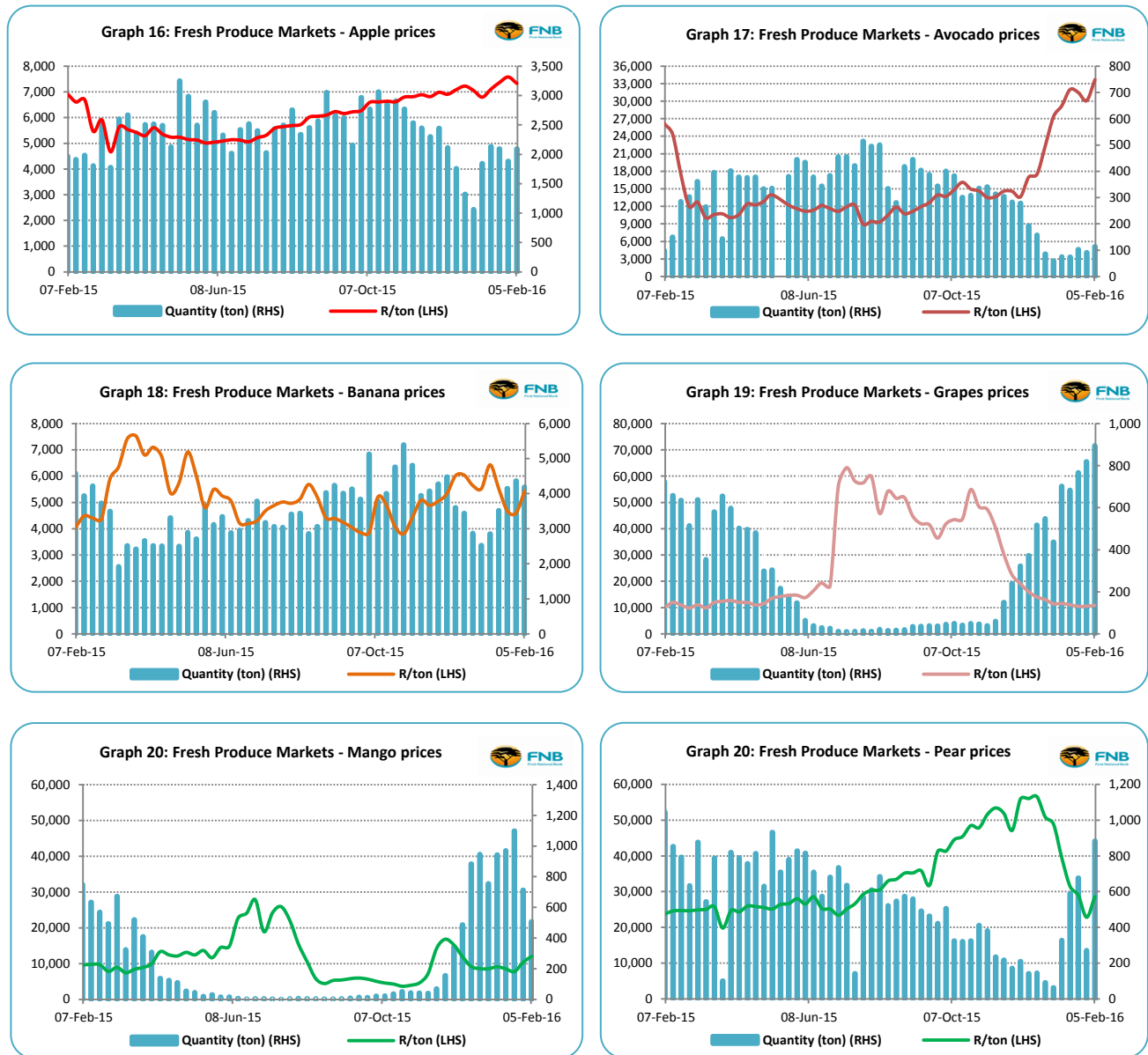
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The Fruit Market Trends – Major Fresh Produce Markets in SA (Graphs 16 to 20)



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

Week ending 05 February 2016	Average Price (R/t)	w/w	y/y	Total Volume (t)	w/w	y/y
Apples	7,331	-3%	6%	2095	11%	6%
Avocados	33,681	12%	29%	114	26%	16%
Bananas	5,436	18%	35%	4191	-4%	-9%
Grapes	10,840	3%	7%	895	9%	24%
Pears	28,641	25%	21%	883	226%	-16%

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

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