Latest crop estimates reflects higher maize production

“As dit pap reen moet jy skep”, well it rained and the South African maize producers did not disappoint. The CEC’s fourth production estimate was released on 29th May 2018 and SA’s commercial maize crop is forecasted at 12.908 million tons up nearly 1% from the previous estimate of 12.826 million tons last month. The good production estimate was in line with expectations following good rains in the major growing areas. At the end of April 2018, white maize stocks were estimated at 2.43 million ton compared to 597 837 tons the same time last year. Yellow maize stocks at end of April 2018 were reported at 1.26 million ton. Crop deliveries is gaining momentum, which will add to the current stocks.

The local maize demand is about 10.72 million ton. As much as South Africans love maize pap, for cash flow purposes some of this maize needs to find export destinations. Last week South Africa managed to export the largest weekly total maize (75 392 tons) in 2018. Exports need to pick up to support domestic prices, and reduce some of the accumulating stocks.

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Maize market trends

International

Week-on-week yellow maize No 2 gulf price marginally decreased from US$180.30/ton to US$179.52/ton. Initial price gains were mainly offset by renewed speculation on ongoing US-China trade tensions.

Bullish factors (Supporting Prices)

- Unfavourable weather in Brazil, the Black Sea region and some parts of the EU and the spill over effects from a stronger wheat market supported US maize futures.
- The Parana state in Brazil remained dry. Private forecasters have reduced Brazil’s maize crop output amid dryness concerns for the second safrinha crop.
- Brazil: The continued truck driver strike limited producer deliveries to the ports and livestock producing regions. In addition, the weakness on the Brazilian real both underpinned maize prices in Brazil.

Bearish factors (Suppressing Prices)

- New speculation on the US-China trade relations offset the positive gains in the maize market.
- Good growing conditions, supported by favourable weather in the Midwest weighed on prices. US planting is advancing at levels higher than the average.

Domestic

On 31 May, local maize market traded marginally higher week on week. New season white maize prices for delivery in Jul 2018 decreased marginally from R2157/ton to R2125/ton. Week-on-week new season yellow maize prices for delivery in Jul 2018 decreased from R2260/ton to R2232/ton. Increasing deliveries weighing on prices.

Bullish factors (Supporting Prices)

- Renewed interest to export maize to Far East destinations provide interim price support. Total weekly exports for the past week was reported at 75 392 tons according to SAGIS. 92% of the exports were yellow maize (69179 tons). The majority of the exports were destined for Vietnam.
- Relatively stronger Rand week on week.

Bearish factors (Suppressing Prices)

- The CEC released its fourth production estimate on the 29th May 2018. The national commercial maize crop estimate is pegged at 12.908 million tons up from 12.827 million tons previously estimated. This was in line with expectations, supported by favourable weather. White maize production estimated at 6.701 million tons and yellow maize output estimated at 6.21 million tons.
Yellow and white maize deliveries started to gain some momentum this month. The past week’s (week ending 25 May 2018) deliveries was reported at 255 903 tons. White maize deliveries were 83 590 ton and yellow maize deliveries 172 313 tons. The cumulative season deliveries of the season to date is 561 275 tons.

Outlook

Local
Prices ended slightly lower week on week. Expect prices to trade sideways to lower as harvest pressure and rate of exports increase.

International
During this week, some support came from unfavourable weather worries in Brazil, Black sea region and the EU. However, the pick-up of speculation on US-China trade relations more than undid the gains. Midwest growing conditions have improved. Weather will remain a key factor to look at in the short- medium term. Price gains/losses weather related.

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<tr>
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<tbody>
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<tr>
<td>SAFEX (R/t) Change w/w</td>
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<tr>
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<td>2,200</td>
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<td>2,120</td>
<td>55</td>
<td>60</td>
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<tr>
<td>2,080</td>
<td>37</td>
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Table 2: Week on week white maize futures and estimated option prices

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<thead>
<tr>
<th>White Maize Futures 31 May 2018</th>
<th>Jul-18</th>
<th>Sep-18</th>
<th>Dec-18</th>
<th>Mar-19</th>
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<tbody>
<tr>
<td>SAFEX (R/t)</td>
<td>2125</td>
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<td>2259</td>
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<tr>
<td>SAFEX (R/t) Change w/w</td>
<td>-32</td>
<td>-27</td>
<td>-26</td>
<td>-23</td>
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<thead>
<tr>
<th>Jul-18</th>
<th>Sep-18</th>
<th>Dec-18</th>
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<tbody>
<tr>
<td>Ask</td>
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<td>Call</td>
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<tr>
<td>2,160</td>
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<td>42</td>
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<td>2,120</td>
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<td>60</td>
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<tr>
<td>2,080</td>
<td>37</td>
<td>82</td>
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<table>
<thead>
<tr>
<th>Jul-18</th>
<th>Sep-18</th>
<th>Dec-18</th>
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<tbody>
<tr>
<td>Ask</td>
<td>Put</td>
<td>Call</td>
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<tr>
<td>2,300</td>
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<td>2,260</td>
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<td>163</td>
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<tr>
<td>2,220</td>
<td>143</td>
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Wheat market trends

International

The weekly average old season HRW wheat Gulf price remained unchanged at US$254/ton week on week. Weekly average SRW wheat price decreased from US$230/ton to US$225/ton week on week. Dry and high temperatures in the US and other major wheat producing and exporting countries such as Canada, Australia, and Russia supported price gains. Occasional forecasts of improving weather conditions weighed on prices.

Bullish factors (Supporting Prices)

- Global wheat export prices rallied on the back of unfavourable weather concerns for the 2018/19 wheat crop. Dryness and very high temperatures affecting production prospects in US, Canada, Australia and the Black Sea regions.

Bearish factors (Suppressing Prices)

- Occasional forecasts of improving weather forecasts in US and a stronger dollar limited price gains. Ukraine and Russian prices were weighed down by favourable rain forecasts for the 2018/19 wheat crop.
- Ample global supplies continues to weigh the market down.

Domestic

On 31 May 2018, wheat prices for delivery in Jul2018 decreased by (R45/ton) from R3908/ton to R3863/ton, week on week. Domestic prices did not follow higher international wheat prices due to Rand performing stronger during the course of the week.

Bullish factors (Supporting Prices)

- Input costs are below break-even cost levels to be profitable. Lack of sufficient cash flow may limit the planting of wheat.
- Hectares planted under wheat expected to be lower in the Swartland area keeping in mind the 45% decline in seed sales.
- Weather outlook remains an uncertainty. We only harvest in October – still a lot to happen before then.
- The Rand was stronger this week, supporting imports. For the week ending 25 May 2018. Wheat import were 21401 tons, primarily from Germany. This brings the cumulative total imports for the season to 1,257,595 tons.

Bearish factors (Suppressing Prices)

- A strong Rand through the course of the week limited price gains.
- New revised wheat import tariff of R437.20/ton was published last week Friday, 25 May 2018. Ongoing rallying of wheat prices in the US could potentially result in the lowering of the import tariff protection for the domestic wheat producers.
- Parts of the Western Cape enjoyed some rains. Probability of favorable weather in the next week should ease some concerns.
Outlook

Local
Expect prices of new season wheat to trade sideways. Global glut may put pressure on international prices throughout the year. Profitability remains a concern for dryland producers in the Western Cape. Hectares planted under wheat expected to be lower in the Swartland area keeping in mind the 45% decline in seed sales.

International
Global wheat export prices rallied on the back of unfavourable weather concerns for the 2018/19 wheat crop. Dryness and very high temperatures affecting production prospects in US, Canada, Australia and the Black Sea regions. Price gains expected to be limited by the ample global stocks.

<table>
<thead>
<tr>
<th>Wheat Futures</th>
<th>May-18</th>
<th>Jul-18</th>
<th>Sep-18</th>
<th>Dec-18</th>
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<tbody>
<tr>
<td>31 May 2018</td>
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<tr>
<td>CME ($/t)</td>
<td>193.36</td>
<td>199.52</td>
<td>206.78</td>
<td>213.21</td>
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<tr>
<td>SAFEX (R/t)</td>
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<td>3863</td>
<td>3870</td>
<td>3860</td>
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<tr>
<td>SAFEX (R/t)</td>
<td>0</td>
<td>-45</td>
<td>-34</td>
<td>10</td>
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<table>
<thead>
<tr>
<th></th>
<th>Jul-18</th>
<th>Sep-18</th>
<th>Dec-18</th>
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<tbody>
<tr>
<td>Jun-18</td>
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<td></td>
<td>3,900</td>
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<tr>
<td></td>
<td>3,820</td>
<td>29.87</td>
<td>31.37</td>
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Oilseeds market trends

International

The weekly average USA soybean price decreased week-on-week from US$402.06/ton to US$397.38/ton. US soya oil prices marginally declined from US$31.54c/lb to US$31.29c/lb and soymeal prices traded marginally lower from US$378.98/ton to US$378.18/ton.

Bullish factors

Soybean:
• Ongoing strikes in Brazil disrupting transportation of soybeans to ports/processors and main livestock producing regions.

Soymeal:
• Global soymeal exports projected to be lower. Argentinian soymeal exports were lower due to drought effects.

Canola:
• ICE canola futures traded 1% higher week-on-week. Price gains came from continued worries about very dry conditions in Western Canada.

Bearish factors

Soybeans:
• Renewed concerns about the trade tensions between the US and China weighed down prices.
• Stronger dollar weighed down on US soybean futures prices.
• Global production is expected to increase in 2018/19 by 358 million ton, to rebound from the 19.2 million ton reduced world production this year due to drought effects.

Rapeseed & Canola:
• Global supplies of canola and rapeseed likely to be increased by 3 million ton, this may cause ample supplies in 2018/19.

Domestic

New season soybean prices (Jul2018) decreased week on week by R78/ton from R4615/ton to R4537/ton.

New season sunflower seed prices (Jul2018) decreased week on week by R18/ton from R4662/ton to R4644/ton.

Bullish factors

Soybeans
• Favourable crushing margin for soybeans compared to a more tight crushing margins for sunflower seed allowing for more soybeans to be crushed

Sunflower seed
• Late planted sunflower seed are susceptible to frost damage.
• Sunflower seed production outlook remains unchanged at 792 255 tons. The area estimate for sunflower seed is 601 500 ha and the expected yield is 1.32 t/ha.

Bearish factors

Soybeans
• Lower US soybean prices weighed down on the domestic market.

*Last 3 points 3 months forecast
• The soybean production forecast is still set at 1.430 million tons, no change from the previous estimate. The soybean estimate is the largest soybean expected production in SA history.

**Sunflower seed**
- Tight crushing margin for sunflower seed allows for less sunflower seed to be crushed
- Harvest pressure on a big sunflower seed crop may add to price pressure.

**Outlook**

**Local**
Soybean prices to trade sideways. Expect price support due to profitable crushing margins. The sunflowerseed/soybean seed spread has reduced from the higher mid-May levels of R120/ton sunflower seed above soybean. The spread has now declined to R50-R100/ton.

**International**
Renewed concerns about the trade tensions between the US and China coupled with the US dollar strength weighed down on prices. Erratic weather will remain a risk factor to take cognisance of in the next 3 months.

<table>
<thead>
<tr>
<th>Oilseeds Futures</th>
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<th>Dec-18</th>
<th>Mar-19</th>
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<tr>
<td>CBOT Soybeans (US$/t)**</td>
<td>374.23</td>
<td>377.45</td>
<td>382.04</td>
<td>378.37</td>
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<td>CBOT Soy oil (US c/lb)</td>
<td>31.54</td>
<td>34.82</td>
<td>32.73</td>
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<td>CBOT Soymeal (US c/lb)</td>
<td>412.42</td>
<td>412.97</td>
<td>410.77</td>
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<td>SAFEX Soybean seed (R/t)</td>
<td>4537</td>
<td>4635</td>
<td>4752</td>
<td>4852</td>
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<tr>
<td>SAFEX Soybean seed (R/t) change w/w</td>
<td>-78</td>
<td>-80</td>
<td>-73</td>
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<tr>
<td>SAFEX Sunflower seed (R/t)</td>
<td>4644</td>
<td>4781</td>
<td>4900</td>
<td>4906</td>
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<td>SAFEX Sunflower seed (R/t) change w/w</td>
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<td>-19</td>
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<tr>
<td>4,680</td>
<td>84.12</td>
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<tr>
<td>4,640</td>
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<td>4,600</td>
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<tr>
<td><strong>Ask</strong></td>
<td><strong>Put</strong></td>
<td><strong>Call</strong></td>
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<tr>
<td>4,820</td>
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<td>117.05</td>
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<td>4,780</td>
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<td>4,740</td>
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<td><strong>Ask</strong></td>
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<tr>
<td>4,940</td>
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<td>4,900</td>
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<tr>
<td>4,860</td>
<td>62.34</td>
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</table>

*Short ton
** Dec 2018 = Jan 2019
Beef market trends

International

New Zealand steers traded sideways over the past week at 5.33NZ$/kg and cows traded sideways at 4.06NZ$/kg compared to a week ago. In the US, beef prices for the week were mixed as follows: Topside traded 0.79% lower at $237.16/cwt. Rump was 0.53% lower at $363.94/cwt and strip loin was 1.65% higher at $863.30/cwt. Chuck traded 1.38% lower at $221.78/cwt. Brisket traded 1.23% higher at $253.01/cwt. The carcass equivalent price was 0.67% higher at $365.27 cwt.

Bullish factors
Drought conditions in the US would result in an even greater increase in US beef production in 2018, leading to a shortage of supply in later years.

Memorial Day weekend is often considered to be the kick-off to the summer grilling season. The three-day holiday weekend this past week was expected to support beef demand.

Bearish factors
The large supply of beef to the domestic market in the US.
US fed cattle slaughter rates are breaking records not seen since 2011, higher year on year.
Herd liquidation due to drought in the US beef producing regions.
Beef cold store inventories for April reveal stocks are higher than historical averages, a sign that demand may not be quite keeping up with supply.
Australian beef shipments are also expected to increase as dry conditions force an increase in slaughter rates.

Domestic

Week on week, beef prices were sideways to higher across the different classes. The average Class A price was sideways this week at R47.08/kg. Class C prices were 0.05% higher at R40.95/kg. The average weaner calf prices over the past week increased by 0.6% to R34.44/kg. The average hide price this week weakened. The average hide prices traded 0.5% lower w/w at R7.74/kg green. Overall, the hide market sentiment remains bearish, in line with the international weak hide market. NB* Hide prices are determined by the average of the RMAA (Red Meat Abattoir Association) and independent companies.

Bullish factors
Improved demand during month end associated with increased month end spending.
Demand for C grades normally improves during this time.
Decline in available supplies after the weaner calf season may add a bullish tone to prices.
The lower feed price together with the lack of weaner calves to rebuild the national herd in the medium term may result in carcass prices to remain elevated for a long time period to come.

Bearish factors
The deterioration in grazing conditions going into winter
Normally, the increased supply for weaner calves during the weaner season from March until May weigh on weaner calf prices. This will improve the price margin for feedlots.
Lower pork prices may weigh on the beef market.
Outlook

Internationally, the US market is coming into its peak demand period, which may add support to prices.

Locally, in the short term, we are moving seasonally into a colder winter period which is not supportive of outdoor grilling, but supportive to stewing cuts.
Sheep meat market trends

**International**

New Zealand lamb prices traded higher this week compared to last week. Lamb prices closed 0.6% higher at NZ$110.6/head for 15kg lamb. Lamb prices were 0.7% higher at NZ$154.9/head for 21kg lamb. Ewe prices traded 1.0% higher at NZ$106.1/head for a 21kg ewe. The import parity price for lamb was 1.6% lower at R69.85/kg, while the import parity price for mutton was 1.2% lower at R51.30/kg.

**Bullish factors**
Higher than average Australian prices have been driven by strong international demand for lamb and mutton. If high slaughter continued in Australia, flock rebuild would take longer, adding long term support to prices.
Chinese demand for mutton has helped keep prices high.

**Bearish factors**
Prolonged dry conditions in Australia result in increased slaughter. Higher slaughter numbers were largely due to people destocking because of the drying conditions, weighing on prices.

**Domestic**

This week, lamb and mutton prices were mostly higher this week when compared to the previous week. Lamb and mutton prices were as follows: The national average Class A carcass lamb prices increased by 0.7% to R68.00/kg and the average Class C carcass prices increased by 16.2% to R54.94/kg. The average price for feeder lambs traded 0.2% lower at R42.34/kg. The average price for dorper skin is 2.1% lower at R30.71/skin and merinos were 11.4% higher at R95.89/skin.

**Bullish factors**
Demand for C grades normally improves during this time. Improved demand during month end may support prices.

**Bearish factors**
Seasonally, we are moving into a colder winter period which is not supportive of outdoor grilling. The deterioration in grazing conditions going into winter

**Outlook**
Internationally, strong international demand for lamb and mutton continue to support prices.
Locally, lamb and mutton prices may benefit from improved spending during month end.
Pork market trends

International

The average weekly US pork prices were mostly higher over the past week. Carcass prices were 1.2% higher at US$74.33/cwt, loin prices were 0.6% higher at US$74.85/cwt, rib prices were 5.9% lower at US$139.64/cwt and ham was 3.9% higher at US$50.58/cwt.

Bullish factors
Barbecue season is expected to boost demand for pork in the US. Memorial Day this past Monday is considered a holiday when more meat is barbecued than at any other time of year.

Bearish factors
Increasing US chicken and beef supplies.
Record-sized US hog herd for this time of year.
Most meat plants in the US shut down for Memorial Day holiday on Monday. These closures can result in a backlog in available animals.

Domestic

Average pork prices have shown a declining trend over the past months. Average pork prices have declined by between 30% and 40% during the second week of April 2018, compared to the second week of January 2018. In recent weeks, pork prices started to show signs of recovery.

This week, pork prices were mostly higher. The latest average pork prices are as follows: The average porker prices are 0.5% lower at R20.83/kg, while the average baconer prices are 4.5% higher at R19.80/kg. The average cutters prices were 1.6% higher at R20.40/kg and the average heavy baconer price was 3.0% higher at R19.10. The SAU price was 3.0% higher at R14.73/kg.

Bullish factors
Improved demand during month end associated with increased uptake during the end of the month may support prices.
The pork industry has indicated that most retail groups have reported increase in demand for fresh pork. Marketing and promotion campaigns by the pork industry drive increased pork sales.
The current low prices of pork may increase consumer uptake of fresh pork cuts.

Bearish factors
Plentiful pork volumes in the market.

Outlook
Internationally, the barbeque season is expected to boost demand for pork in the US.
Locally, lower product prices are expected to boost sales, and therefore add support to pork prices. Improved demand during month end may add further support to prices.
Poultry market trends

International

Poultry prices in the US were mostly higher over the past week. Whole bird prices were 1.4% higher at 119.57USc/lb. Breast traded sideways at 106.00USc/lb, while leg quarters traded 10.4% higher at 37.00USc/lb.

Bullish factors
The Brazilian truck strike has led to the deaths of 70 million birds.
US broiler exports are expected higher in 2019 on the back of expected continued increases in foreign demand.

Bearish factors
Brazil stopped the export of 120,000 tons of chicken and pork meat since truckers began striking on 21 May.
As of yesterday, 30 May 2018, the Brazilian Animal Protein Association (ABPA) reports a partial resumption of production activity following the truck strike. Exports, however, remain frozen at ports and the ABPA indicates that aggressive demonstrations remain prevalent.
Plentiful global supplies and competition from expanding red meat supplies may weigh on poultry prices.

Domestic

The average poultry prices over the past week were mostly lower. The average prices for frozen birds were 0.5% lower at R24.72/kg during the week. Whole fresh medium bird prices were 0.4% lower at R26.26/kg, while IQF prices were 0.2% higher at R24.31/kg.

Bullish factors
The possibilities of new occurrences of bird flu during winter continue to be a risk factor in the broiler industry. Improved demand during month end may support prices.

Bearish factors
The Stats SA’s monthly consumer egg prices show a mixed trend for April 2018. Egg prices for ½ dozen increased by 0.7%, to R16.56, prices for 1.5 dozen decreased by 2.5% to R44.37 whilst prices for 2.5 dozen decreased by 2.1% to R61.83 during April 2018 compared to March 2018. Egg prices followed an increasing trend towards the end of 2017 due to the impact of the outbreak of bird flu.
Lower pork prices may weigh on the poultry market.
Favourable feed price environment contribute positively to feeding margins.

Outlook
Internationally, increasing broiler supplies and competition from expanding red meat supplies may weigh on poultry prices.
Locally, prices may gain support from increased spending during month end.
<table>
<thead>
<tr>
<th>Livestock prices (R/kg)</th>
<th>Beef</th>
<th>Mutton</th>
<th>Pork</th>
<th>Poultry</th>
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</thead>
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<tr>
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</tr>
<tr>
<td>Class A/ Porker/ Fresh birds</td>
<td>0%</td>
<td>47.08</td>
<td>47.07</td>
<td>0.7%</td>
</tr>
<tr>
<td>Class C/ Baconer/ Frozen birds</td>
<td>0.05</td>
<td>40.95</td>
<td>40.93</td>
<td>16.2%</td>
</tr>
<tr>
<td>Contract/Baconer/ IQF</td>
<td>0.02</td>
<td>48.04</td>
<td>48.03</td>
<td>1.5%</td>
</tr>
<tr>
<td>Import parity price</td>
<td>-2.12</td>
<td>61.09</td>
<td>62.42</td>
<td>-1.2%</td>
</tr>
<tr>
<td>Weaner calves/ Feeder lambs</td>
<td>0.6%</td>
<td>34.44</td>
<td>34.24</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Specific imports: Beef trimmings 80vl/b/ Mutton shoulders/Loin b/in/ chicken leg 1/4</td>
<td>1.01</td>
<td>50.00</td>
<td>49.50</td>
<td>0.4%</td>
</tr>
</tbody>
</table>
Wool market trends

International
The Australian wool market traded higher week on week. Prices traded at Au2027 c/kg up by 2.22%. Fierce competition amongst buyers, short supply and increased demand pushing prices higher.

Bullish factors (Supporting Prices)
• New price records were hit for all the Merino and fine crossbred wools. The EMI reached the $20/kg mark.
• Limited availability of supplies/locks encouraged competitive bidding in Australia, which pushed prices higher.
• Growing consumer demand, underpinned by economic growth in the EU and China keeps supporting wool prices globally.
• In Australia, the following factors are contributing to the lower supply and higher prices: high lamb and mutton prices, few Merino ewe stock, and limited land suitable for Merino wool production, unfavourable seasons and increased predation.

Bearish factors (Suppressing Prices)
• Global demand for broader crossbred wool dropped significantly.

Domestic
The last auction was on 30 May 2018. Domestic wool market prices increased from R201.36 c/kg (clean) to R207.23 c/kg (clean) at the sale. Wool prices traded at record prices, driven by very strong demand and limited supply.

Bullish factors (Supporting Prices)
• Excellent demand for quality long and fine wool at the recent auction.
• Reduced seasonal deliveries, lower volumes were offered, the season approaching its closure next week.
• A weaker Rand assisted producers on the returns.
• Competition between the buyers was spirited and encouraged even higher prices.

Bearish factors (Suppressing Factors)
• Analysts do caution that some degree of a downward correction is to be expected.

Outlook
Internationally, new price records were hit for all the Merino and fine crossbred wools. The EMI reached the $20/kg mark. Limited availability of supplies/locks encouraged competitive bidding in Australia, which pushed prices higher.

Locally, lower supply, fierce competition amongst buyers for South African wool, coupled with lower seasonal delivering are all adding a bullish tone to the wool market. The next sale will be on 06 June 2018, approximately 10 359 bales will be on offer.
Cotton market trends

International

Cotton prices traded 3.43% higher over the past week and closed at US82.84c/lb up from US80.19c/lb.

Bullish factors (Supporting Prices)
- Cotton prices traded higher this week as cotton supply starts reducing, demand increasing and season approaching its end.
- India (the largest producer) will not change the production from the previous year. However Australia, the US and China are expected to decline production.
- India’s cotton exports could potentially hit a 4-year high price uptick underpinned by a weaker rupee.

Bearish factors (Suppressing Prices)
- Higher prices expected to impact planting decisions to expand area under cotton for the 2018/19 season.

Domestic

The derived SA cotton prices traded 2.76% higher to close at R26.12/kg.

Outlook
Internationally, Cotton prices remain firm as demand picks up and season nears the end.

Locally, the world market and exchange rate movement may continue to affect the domestic market prices.
## Fibres market trends
**Week ended 31 May 2018**

<table>
<thead>
<tr>
<th>Wool prices</th>
<th>%</th>
<th>SA prices (c/kg)</th>
<th>%</th>
<th>Australian prices (SA c/kg)</th>
<th>%</th>
<th>Australian future July 2018 (AUS/kg)</th>
<th>%</th>
<th>Australian future Sep 2018 (AUS/kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wool market indicator</td>
<td>2.92</td>
<td>20723</td>
<td>4.28</td>
<td>19479</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19μ micron</td>
<td>2.90</td>
<td>21999</td>
<td>4.67</td>
<td>21696</td>
<td>2.82</td>
<td>21.90</td>
<td>-0.97</td>
<td>20.50</td>
</tr>
<tr>
<td>21μ micron</td>
<td>2.83</td>
<td>21213</td>
<td>6.59</td>
<td>21571</td>
<td>3.86</td>
<td>21.50</td>
<td>1.01</td>
<td>20.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cotton prices 25 May 2018</th>
<th>%</th>
<th>SA derived cotton (R/kg)</th>
<th>%</th>
<th>New York A Index (US$/kg)</th>
<th>%</th>
<th>New York future Jul 2018 (US$/kg)</th>
<th>%</th>
<th>New York future Sep 2018 (US$/kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotton prices</td>
<td>2.76</td>
<td>26.12</td>
<td>2.11</td>
<td>2.08</td>
<td>2.9</td>
<td>1.93</td>
<td>3</td>
<td>1.90</td>
</tr>
</tbody>
</table>
Vegetables market trends

Tomatoes
Volumes are still seen increasing at the Fresh Produce Markets. South Africa not yet experiencing a cold winter therefore plenty tomato crop ripe and available to be marketed. Due to good quality crop, tomato prices are currently good, averaging around R10/kg. Month-end demand also supporting prices. Prices expected to trade sideways for the next 2 weeks. Weekly prices declined week-on-week but prices are still at a good price.

Onions
North West and Limpopo onion producers are currently marketing their produce at the markets. Supply is sufficient. Good quality crop receiving premiums. Prices are currently finding support from the month end demand. Prices have been trading sideways for the month and anticipated to remain at this level for the next 2 weeks.

Potatoes
Producer deliveries increased by 6% week on week as favourable weather allowed undisturbed harvesting. Ample supply, prices declined by 6% week on week. Prices expected to increase over the weekend due to month-end increased demand.

Peppers
Pepper prices were up week-on-week by 15% at an average of R9/kg. Better quality peppers receiving premium. Month end heightened demand also supporting the price gain.

Cabbage & Carrots
Cabbage volumes dropped by 15% at the Top 5 FPMs, which supported a 9% price increase. Prices averaging around R2/kg. Carrots prices also up by 8% although volumes also up. The higher week-on-week demand for carrot during the last week of the month supported prices.

Vegetable Prices: Fresh Produce Market
(Averages for the Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban markets)

<table>
<thead>
<tr>
<th>Week ending</th>
<th>Difference in weekly prices</th>
<th>This week’s Average Price (R/t)</th>
<th>Previous week’s Average Price (R/t)</th>
<th>Difference in weekly volumes</th>
<th>This week’s Total Volumes (t)</th>
<th>Previous week’s Total Volumes (t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 May 2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cabbages</td>
<td>9%</td>
<td>2410</td>
<td>2212</td>
<td>-15%</td>
<td>1780</td>
<td>2092</td>
</tr>
<tr>
<td>Carrots</td>
<td>8%</td>
<td>4960</td>
<td>4588</td>
<td>6%</td>
<td>2761</td>
<td>2613</td>
</tr>
<tr>
<td>Onions</td>
<td>2%</td>
<td>4288</td>
<td>4216</td>
<td>5%</td>
<td>7766</td>
<td>7378</td>
</tr>
<tr>
<td>Potatoes</td>
<td>-6%</td>
<td>3364</td>
<td>3562</td>
<td>6%</td>
<td>19769</td>
<td>18637</td>
</tr>
<tr>
<td>Tomatoes</td>
<td>0%</td>
<td>9908</td>
<td>9876</td>
<td>2%</td>
<td>4147</td>
<td>4060</td>
</tr>
<tr>
<td>Peppers</td>
<td>10%</td>
<td>9196</td>
<td>8390</td>
<td>11%</td>
<td>1243</td>
<td>1122</td>
</tr>
</tbody>
</table>

*Last 3 points 3 months forecast