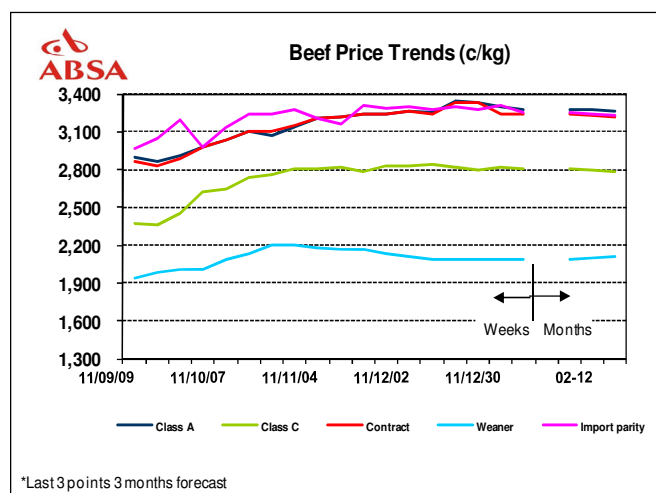


US ethanol tax credit falls away at the end of 2011, what are the implications?

A federal tax credit on ethanol production had expired on the 31st of December 2011 which ends an era in which the US government provided more than \$20 billion in subsidies for use of ethanol product. The tax break, dating back more than 30 years, had long seemed to be unassailable. During 2011 when the Congress was worried about the economic crisis, it became a symbol of corporate welfare. Fiscal conservatives joined liberal environmentalists to kill it, with help of outside groups. In the US, most ethanol is produced from maize. The termination of the subsidy is all the more remarkable because it comes at the peak of the political season in Iowa, where maize is the biggest commodity grown. The loss of the tax credit will reduce the profit margin for many people in ethanol business but it won't be critical as long as the demand for ethanol and gasoline remains high. Currently nearly 40% of the US maize crop goes to animal feed, ethanol and byproducts. The increasing demand for maize for ethanol production has contributed to higher maize prices. How will the loss of the tax credit influence maize prices and the ethanol production in the US in 2012 and beyond?

Beef Market Trends

- International:** The US market prices traded mixed during the week compared to the previous week. Market activity in the US market continues to be weak. In the US, beef traded as follows: Top inside traded 0,9% lower at 245,59 \$/cwt, Rump traded 0,7% lower at 287,95 \$/cwt and Strip loin traded 1,4% lower at 484,94 \$/cwt. Chuck traded 4,2% higher at 212,15 \$/cwt and Brisket traded 0,9% higher at 221,94 \$/cwt. The USDA is forecasting that 2012 US beef production will decrease by 4,6% compared to 2011. Cattle producers in AU had a much more volatile year than sheep producers. Floods, the global economic turmoil, high Australian dollar, Japanese disasters, and the live cattle ban to Indonesia all weighed heavily upon market sentiment throughout 2011. Fortunately, many of these issues were somewhat counterbalanced by more positive influences on prices. These included very tight global beef supplies, rapidly increasing export growth in developing markets, and tight Australian cattle supplies as producers attempted to make the most of a second consecutive wet year. Rebuilding efforts and very strong demand for cows resulted in the national weekly indicator for cows averaging 7% higher year-on-year. In 2012 the USDA the leading information giant will close 259 domestic offices, labs and other facilities to save \$150 million per annum. While the closures and other cost-cutting steps will affect the USDA headquarters and operations in 46 states, the savings will be relatively small in the context of the agency's \$145 billion budget.



- Domestic:** Beef prices traded lower during the past week compared to the previous week not following the international market. The prices of the different meat classes were as follows: Class A prices decreased by 0,46% to R32,80/kg, Class C prices decreased by 0,32% to R28,05/kg and contract prices also decreased by 0,25% closing at R32,35/kg. Weaners closed 0,4% higher at R20,91/kg compared to the previous week. Hide prices traded 2,1% higher at R9,31/kg for the

week compared to last week. The landed imported price of beef trimmings from Namibia and Botswana traded the same at R40,95/kg week-on-week.

Outlook

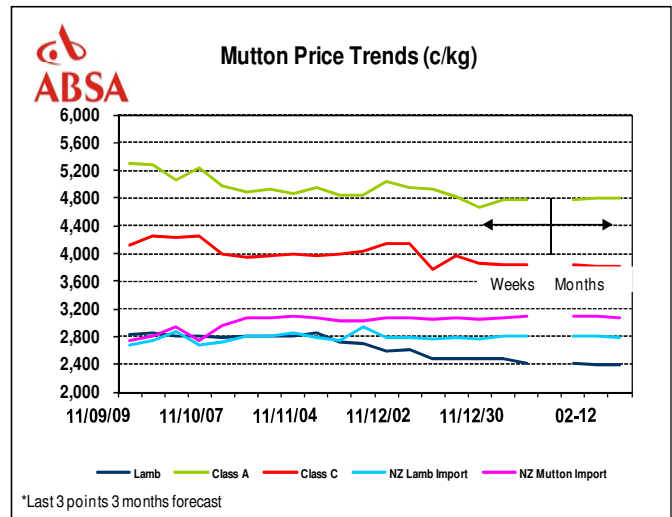
Internationally, beef prices are expected to move sideways in the short term due to lower demand after the festive season with a possible sideways and then upward movement in the medium term depending what the medium term affect of the recent drought in Texas will be on production. In the local market, the price of beef will continue to move sideways in the short term with a possible downward movement into the medium term due to lower demand as a result of the good consumer spending over the festive period.

Mutton Market Trends

- International:** New Zealand and Australian prices moved upwards compared to the previous week. Local import parity for lamb and mutton traded slightly higher due to higher prices. The past year has been one of mixed fortunes for AU's livestock industry, with many of the fluctuating conditions felt most keenly amongst cattle producers. Sheep and lamb producers experienced a relatively consistent twelve months, characterised by flock rebuilding, tight supplies and historically high prices. Important for Australian lamb and sheep producers, annual saleyard prices averaged higher for the fourth consecutive year, jumping by between 8% and 16%. Australian

lamb exports reported a 3% increase to 160,007 tons during 2011, compared with 2010, which was the third largest calendar year total on record (after 2009 and 2007). The increase for 2011 occurred despite a fall in lamb production, as strong overseas demand, with tight global supplies attracted a higher proportion of Australian lamb. The largest export market for Australian lamb in 2011 was the Middle East, with 34,987 tons exported, despite a 5% decline year-on-year. The Middle East just pipped the US, with a 1% increase, to 34,334 tons. However the US was the highest value export market for 2011, with a larger proportion of higher end chilled cuts than the Middle East. Greater China experienced significant growth during 2011, with Australian lamb exports increased 15% year-on-year, to 29,620 tons. This is a region identified as a possible growth region by Australia and NZ for lamb and mutton.

- Domestic:** The mutton and lamb prices traded mixed during the week compared to the previous week. The Class A2 prices closed the week at R47,85/kg which is 0,15% higher than the previous week. Class C2 prices closed at R38,31/kg or 0,23% lower, while contract prices closed at R48,45/kg or 0,19% higher. The price lamb closed 3,0% lower and traded at R24,06/kg. The average price for a dorper skin traded lower than the previous week at R 58,29 per skin or 6,2% lower and a merino skin traded 14,1% lower at R79,91 per skin compared to the previous week. The landed imported price of mutton rib from Australia and New Zealand traded the same compared to the previous week at R26,45/kg and mutton shoulder traded also the same at R43,95/kg, compared to last week according to AMIE.

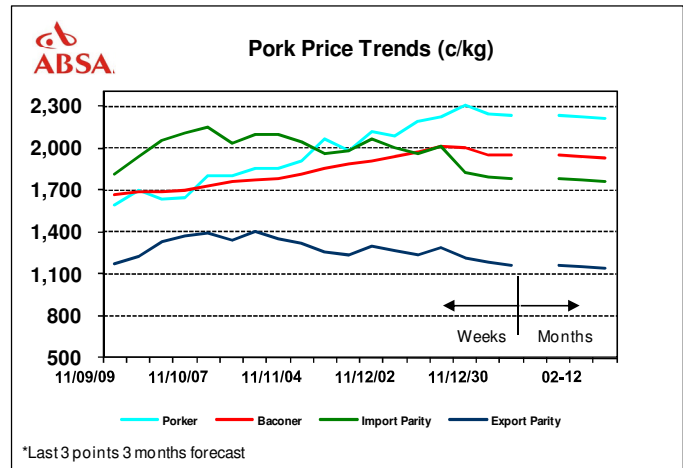


Outlook

Internationally, prices will continue to move upwards in the short term with a sideways movement in the medium term due to constant demand from the Asian countries, Japan and the US. Locally, the prices of mutton will move sideways in the short term with a possible decrease in the medium term due to lower demand and possible increases in production.

Pork Market Trends

- International:** US pork prices traded lower during the week compared to last week. Carcass prices traded 1,28% lower at US\$ 84,77/cwt, Loin traded 1,17% lower at US\$ 92,98/cwt, Rib traded 0,34% lower at US\$ 144,29/cwt, while Ham traded 1,18% lower at US\$ 69,23/cwt. Import parity for ham traded 0,83% lower due to a stronger exchange rate and lower prices compared to the previous week. Fresh loins were steady and butts steady to lower. Skinned hams and lean trimmings were steady with all other cuts not tested. Trading was slow, with light to moderate demand and offerings. With one eye on the New Year, pork producers might consider a resolution aimed at bolstering consumer trust and confidence. A suggestion to boost consumer trust is: Redouble your commitment to demonstrate that the current pork operations are consistent with consumer expectations. For the past five years, consumer researchers have monitored how perceptions changes have influenced issues that are important to pork producers and others in the food system. The most recent study reveals a troubling gap between what consumers believe farmers' goals should be and what consumers perceive as farmers' actual goals. The reality is, if the perception of shared values and shared priorities doesn't exist and if there isn't alignment between consumer expectations and producer performance, consumers won't trust the pork industry to do the right thing. Therefore for the pork meat industry to grow, they need to build consumer trust.



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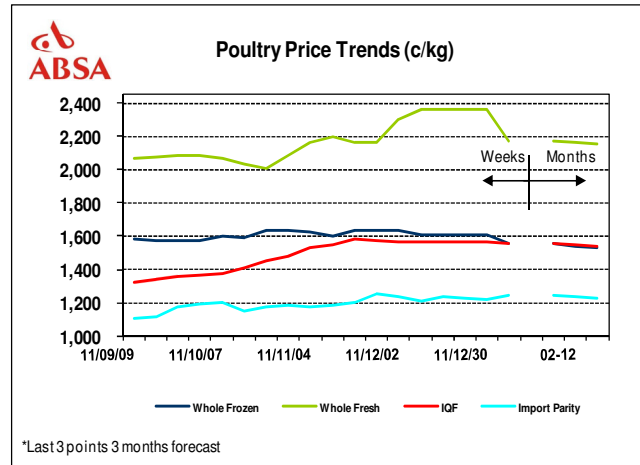
- Domestic:** The pork prices traded lower during the past week, following the trend of the international pork market. The price of Porkers traded 0,49% lower at R22,35/kg, while the price of Baconers decreased by 0,41% to R19,45/kg and the price of Contract meat decreased by 0,45% to R20,90/kg compared to the previous week. Demand for pork meat decline after the festive season. The imported landed price of loin from Canada and the US traded the same at R28,95/kg week-on-week according to AMIE.

Outlook

Internationally, prices are expected to decrease in the short term with sideways to upward movement in the medium term due to lower production as a result of the number of producers that leaving the market due to continued high feeding costs, especially maize prices. Locally, the prices are expected to move lower in the short term with a possible sideways movement in the medium term due to lower demand, but the high feeding costs must be accommodated and will result in higher prices over the medium term.

Poultry Market Trends

- International:** The poultry prices in the US were higher during the past week compared to the previous week. Whole bird prices traded higher at 82,10c/lbs a 0,37% increase. Breasts traded higher by 3,25% and closed at 127,0c/lbs, while leg quarters traded 2,97% higher and closed at 52,0c/lbs compared to last week. Import parity was 2,30% higher due to higher prices and a slightly weaker Rand:US dollar exchange rate. Whole broiler prices were trending steady to firm. Offerings were light to moderate and clearing satisfactorily. Final majority prices were unchanged when compared to last week prices.



Retail and food service demand was light to good but best where retail promotions were in progress. Floor stocks were light to instances weak. Market activity was moderate. In the parts structure, movement was moderate for early week business. Prices for wings were trending firm to higher; steady to firm for boneless breast with good movement. All other parts were steady. Offerings of wings and boneless breast were light and held with confidence. Remaining parts were moderate. Market activity was mostly moderate. In production areas, live supplies were moderate but mixed, at mostly desirable weights. The estimated number of broiler available for slaughtering the week ending 07-Jan-12 was 146,6 million head compared to 169,8 million head slaughtered the same week last year. The estimated US slaughterings this week will be 134,3 million head or 12,3 million less than estimated available. For the week of 14 Jan 2012 the estimated available is 150,3 million head. Poultry producers face a positive outlook in 2012, according to international analysts, with margins expected to improve for both farmers and processors despite of high feeding costs. Fragile market conditions persist in the wider economy and experts say supply discipline will be required to aid the EU meat industry's performance. According to a international bank report, important factors such as feed prices, the economy, export markets, and exchange rates could easily shift and create uncertainty in 2012. Predictions show the industry will again experience major challenges in 2012. More disciplined supply growth will make the industry more flexible in times of unfavourable cost-price developments. Reduction in supply in 2011 has restored the market balance, resulting in better prices and margins, and projections for 2012. Lower production in the red meat sector also means beef prices are expected to remain relatively high, which will support prices for poultry the main competing meat as well as pork.

- Domestic:** Poultry prices closed lower this week compared to the previous week. Frozen birds traded at R 15,53/kg, or 3,42% lower compared to the previous week. Whole fresh medium bird prices at R21,73/kg or 8,04% lower and IQF traded at R15,57/kg or 0,64% lower compared to the previous week. The landed price of Brazilian imported chicken leg quarters traded the same at R16,02/kg and grillers at R19,05/kg week-on-week according to AMIE.

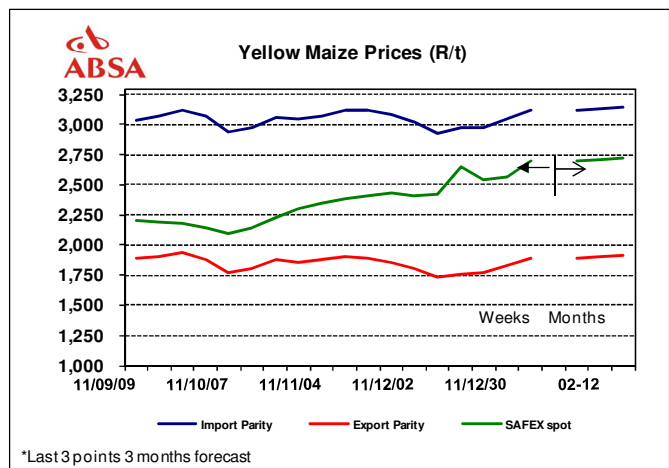
Outlook

Internationally, the prices will move sideways with a possible upward trend in the short to medium term due to lower supplies and high feed prices. Locally, the market is expected to trade downward with a possible sideways movement in the short to medium term despite the high feeding costs due to lower consumer buying power after the Festive season and the beginning of the new school year.

Livestock Prices (R/kg) 06 January 2012	Beef		Mutton		Pork		Poultry	
	Current Week	Previous Week	Current Week	Previous Week	Current Week	Previous Week	Current Week	Previous Week
Class A / Porker / Fresh birds	32,80	32,95	47,85	47,78	22,35	22,46	21,73	23,63
Class C/ Baconer / Frozen birds	28,05	28,15	38,31	38,40	19,45	19,53	15,53	16,08
Contract / Baconer/ IQF	32,35	32,43	48,45	48,36	20,90	21,00	15,57	15,67
Import parity price	32,51	33,09	30,98	30,79	17,81	17,96	12,46	12,18
Weaner Calves / Feeder Lambs/	20,91	20,83	24,06	24,81	-	-	-	-
Specific Imports: Beef trimmings 80vl/b/Mutton Shoulders/Loin b/in /chicken leg1/4	40,95	40,95	43,95	43,95	28,95	28,95	24,81	24,81

Yellow Maize Trends

- International:** The average yellow maize prices increased week-on-week. The average US yellow maize spot price closed the week 2,9% or US\$ 7,73/t higher compared the previous week. Grains for the week closed mostly higher with soybeans closing with a modest gain compared to early week trade. Compared to last week, Maize and soybeans started out the New Year higher with wheat having modest losses. Early in the week dry weather forecast in South America for maize and soybeans help to rally grains higher along with outside market support from a higher stock market, precious metals and crude oil but on thursday of this week, the grain market suffered sharp losses as a wave of selling pressure was triggered by negative outside markets as the dollar was sharply higher on renewed Euro-debt worries. Improved chances of rain in Argentina also pressured the grain market. Weekly export sales of for maize came in below expectations at 306,000 tons (8.2 mb). Grains closed mostly lower to end the first week of the year. Grain traders will be closely watching weather developments in South America over the coming week to see how quickly they need to return to markets. Maize was one of the few agricultural commodities to achieve a price increase in 2011, only by a modest 2,8%. Prices were boosted by disappointing US production and at the end of the year, by the risk of weaker-than-expected South American output after poor weather, blamed on La Nina. Can the grain's buoyancy continue? Influences on the prices will include, besides South American weather, the resilience in demand from the US ethanol industry, which losses tax perks. Maize markets have been battered by plentiful feed wheat and slowing demand from China, and investors. November and December good moisture means that some areas of the Southern Plains are in better shape than this time last year, at least as far as soil moisture. The region is still in drought and it is still very much a question of what the region will look like when the planting season begins in the spring. Recent weather has been moisture free and current forecasts show



that dry and warm conditions are expected for the foreseeable future. The current weather pattern appears to be more consistent with the La Niña conditions that are expected according to the latest seasonal drought outlook from the Climate Prediction Center, which indicates a likelihood of persistent drought for the period through to the end of March at least.

- **Domestic:** The local maize market traded on average 5,4% or R137,92/t higher following the international market trend during the past week. The Rand: US dollar exchange rate was on average slightly lower during the past week, compared to the previous week. The average exchange rate for the week was R8,14/US\$ compared to R8,136/US\$ the previous week. Safex futures traded higher in the week: Mar-12 traded 4,05% (R102/t) higher, May-12 traded 12,22% (R253/ton) higher, Jul-12 traded 4,08% (R80/ton) higher and Sept-12 traded 4,58% (R91/t) higher compared to the previous week.

Outlook

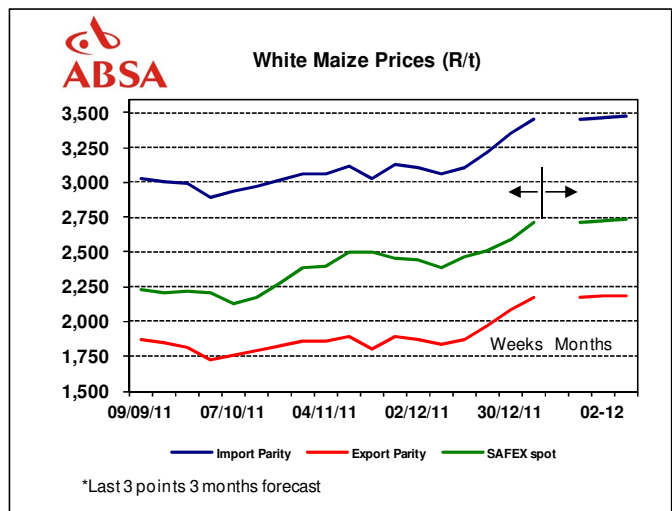
Internationally, markets will trade upwards with a sideways movement in the short to medium term depending on the weather conditions especially in Argentina. Locally, the market prices are expected to follow the international prices but lower than expected plantings or a switch to sunflower in the Eastern Highveld and Eastern Free State will put pressure on prices. New data will be released later in the month.

Yellow Maize Futures 06 January 2012		Mar-12		May-12		Jul-12		Sept-12		Dec-12	
CBOT (\$/t)		253,29		256,13		258,10		237,07		226,44	
SAFEX (R/t)		2,622		2,323		2,043		2,076		-	
Mar-12				May-12				Jul-12			
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call			
2,420	53	255	2,140	88	271	1,960	141	224			
2,380	43	285	2,100	74	297	1,920	123	246			
2,340	33	315	2,060	62	325	1,880	106	269			

White Maize Trends

- **International:** The US white maize spot market traded higher by 3,7% or US\$ 11,22/t in the past week compared to the previous week. The local import parity of white maize traded 3,0% higher compared to the previous week. This increase in import parity was due to higher maize prices the past week compared to the previous week. The rand weaken from R8,13/US\$ last week to R8,14/US\$ this week.

- **Domestic:** The local average white maize spot price traded 5,1% (R130,92/ton) higher compared to the previous week, with white maize trading a massive 111,0% higher than the same time a year ago. The white maize futures contracts traded higher this week: Mar-12 traded 4,64% (R119/t) higher, May-12 traded 11,01% (R250/ton) higher, Jul-12 traded 5,1% (R102/t) higher and Sept-12 traded 5,39% (R109/t) higher compared to last week.



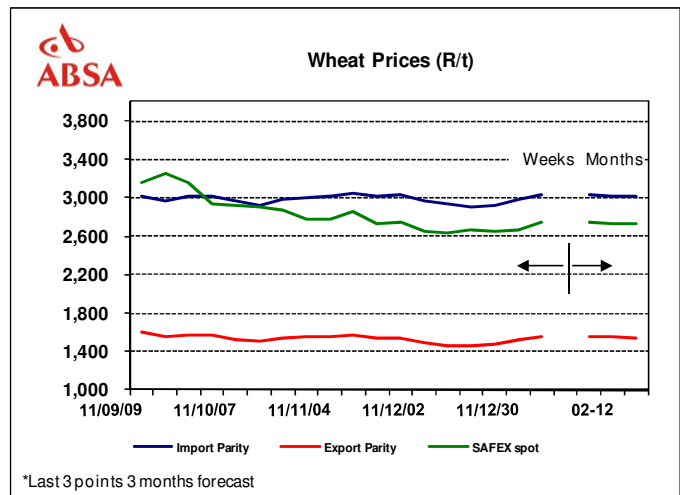
Outlook

Internationally, the white maize price trend will follow the yellow maize and international trends in the short to medium term due to uncertainty of weather conditions in Argentina. In the local market, prices will follow the yellow maize market in the short to medium term with new data on the number of acreage of maize that has been planted due soon.

White Maize Futures 06 January 2012			Mar-12		May-12		Jul-12		Sept-12		Dec-12	
SAFEX (R/t)			2,683		2,520		2,101		2,131		-	
Mar-12			May-12			Jul-12						
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call	Ask	Put	Call	
2,440	40	283	2,280	81	321	2,000	149	250				
2,400	32	315	2,240	69	349	1,960	131	272				
2,360	24	347	2,200	58	378	1,920	114	295				

Wheat Market Trends

- International:** The average weekly wheat spot price traded 1,8% higher compared to the previous week. Soft red wheat traded 1,4% (\$3,48/t) higher, while hard red wheat traded 2,2% (\$6,11/t) higher. Import parity traded 1,4% higher due to a slightly weaker rand :US\$ exchange rate and higher average wheat prices. Favorable weather in the Southern Plains and excellent conditions going into dormancy for the US winter wheat crop was noted as bearish factors. Wheat had weekly export sales of below expectations coming in at 168,100 tons (6,2 mb). Wheat closed lower with Minneapolis having the biggest sell-off. France regained contracts to export wheat to Egypt, with the biggest order for nearly a year, supported by the continued weakness of the euro. Egypt's state grain buyer, bought 120,000 tons of wheat from France following its latest tender. US wheat returned to be competition again, proving cheaper than Black Sea supplies, if freight is excluded. A further 120,000 tons of exports was split between Black Sea origins, which have until late last year set the pace in regional wheat exports, following bumper crops which have allowed them to fulfil their reputation as competitive shippers. Russia was holding a stranglehold over Egyptian trade until late last year, following a bumper harvest. The successful order of wheat from France was the biggest from the European Union's top exporter since February. Wheat prices had a poor 2011, following up their strong gains of 2010, encouraged by drought in Russia. Chicago wheat fell by nearly 18% in Chicago with bigger declines in Europe, which felt less influence from resilient maize prices. Downside pressure came from the return of Black Sea countries to exports helped by bumper Black Sea crops with world stocks expected to end 2011/12 at their highest in a decade. The outlook for the 2012/13 season is not so clear, with winter wheat planting conditions in a number of regions far from ideal.



- Domestic:** The average SAFEX wheat spot price traded 2,8% or R74,17/t higher this week compared to the previous week, following the higher international market due to higher prices. The local market did not found support from the rand against the US dollar. Safex future prices traded higher during the past week compared to last week: Mar-12 traded 1,38% (R38/t) higher, May-12,

traded 1,61% (R45/t) higher, and Jul-12 traded 2,10% (R59/t) higher compared to the previous week.

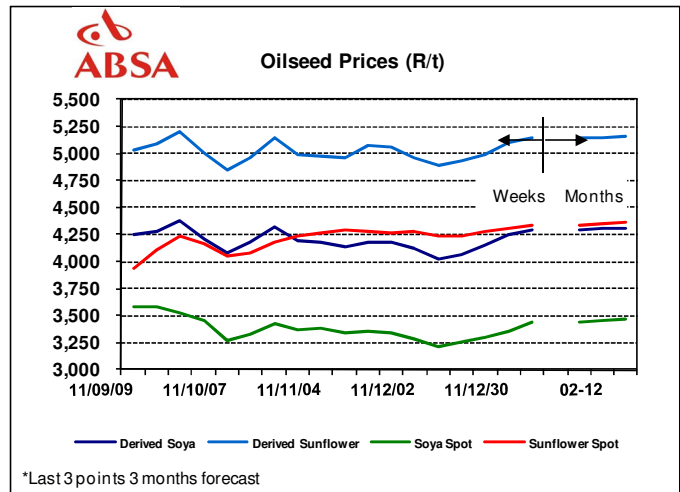
Outlook

Internationally, prices are expected to trade lower in the short to medium term with a sideways movement due to good weather prospects for wheat in the US. Locally, the market will continue to follow the international market in a possible downward trend in the short term with a sideways movement in the medium term depending on the volatility of the exchange rate.

Wheat Futures 06 January 2012		Mar-12	May-12	Jul-12	Sept-12	Dec-12		
KCBT (\$/t)		252,06	255,00	258,09	262,86	270,07		
SAFEX (R/t)		2,791	2,840	2,865	-	-		
Mar-12			May-12			Jul-12		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2,760	69	100	2,800	120	160	2,800	143	208
2,720	52	123	2,760	102	182	2,760	125	230
2,680	38	149	2,720	85	205	2,720	108	253

Oilseed Market Trends

- International:** US soybean prices traded week-on-week on average higher, 2,1% or \$9,56/ton compared to the previous week. The current price is 11,7% lower compared to the same time a year ago. Soybean had weekly export sales of below expectations at 281,300 tons(10,3 mb). Soybean prices declined by 15% in Chicago during 2011, a significantly worse performance than maize's, in the battle for acres in farmers' plantings plans. The drop also compares unfavourably with 34% gains in 2010. Growing fears for dryness damage to South American crops to be harvested early this year prompted a late rebound in Chicago soybean prices. China's release of soybeans from state reserves put a cap on retail prices for edible cooking oils and negative crushing margins for much of 2011 have weighed heavily on import demand. Lower soybean acreage in 2011, the recent decrease in international prices in addition to improved crush margins and a pickup in seasonal demand are likely to promise higher imports into early next year. The drought in southern Brazil has been worse than three seasons ago, when La Nina also caused severe crop concerns in South America, but has not reached that level in Argentina. In Argentina's grain belt, growing conditions this season were relatively wetter than 2008 during the same period. The moderately strong La Nina is causing dry conditions in Argentina maize growing areas which is similar to the 2008/9 growing season, though the drought is not as extreme as before. Soybean prices rose due to continued worries that hot, dry weather in South America could cut global production. Forecasts last week predicted more rain in Argentina, a major maize and soybean exporter. But the rains appear to be lighter than expected; stoking fears that dry weather will hurt this seasons yields.



- Domestic:** The average soybean spot prices traded 2,7% or R91,67/t higher compared to the previous week. This increase was due to higher international prices. The current price is 0,6% higher compared to the corresponding time a year ago. The soybean futures prices all traded higher during the past week: Mar-12 traded 2,19% (R75/t) higher, May-12 traded 1,29% (R45/t) higher and Jul-12 traded 2,1% (R74/t) higher compared to the previous week. The average sunflower spot price for the week traded higher and closed 0,9% (R39,58/t) higher than the previous week. This is also 13,7% lower than the same time a year ago. The sunflower futures prices closed higher again compared to the previous week: Mar-12 traded 0,68% (R30/ton) higher, May-12 traded 3,62% (R154/t) higher, Jul-12 traded 3,74% (R160/t) higher compared to the previous week.

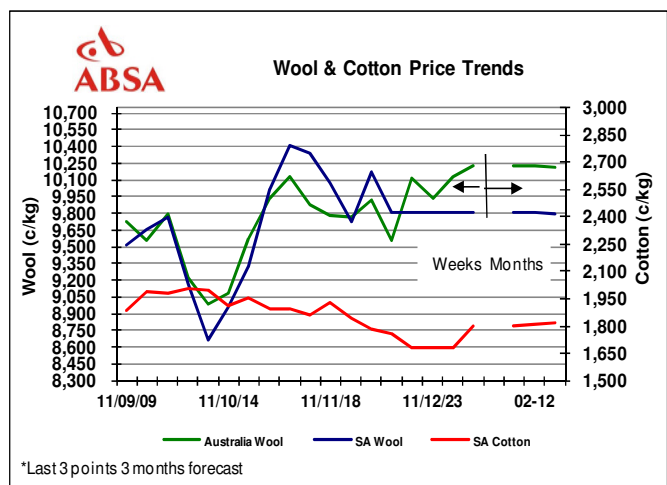
Outlook

Internationally, markets will trade higher in the short term with a possible sideways in the medium due to dry weather concerns in Argentina. Locally, the soybean prices will follow international prices in an upward trend but with the summer grain plantings window past we await the final acreage planted under the different grains, which will have a possible or negative influence on prices.

Oilseeds Futures 06 January 2012			Mar-12	May-12	Jul-12	Sept-12	Dec-12	
CBOT Soybeans (US \$/t)			439,60	443,13	446,22	440,63	440,92	
CBOT Soy oil (US c/b)			51,12	51,50	51,81	51,89	51,76	
CBOT Soy cake meal (US \$/t)			312,40	314,90	317,80	316,20	311,80	
SAFEX Soybean seed (R/t)			3,505	3,535	3,601	-	-	
SAFEX Sunflower seed (R/t)			4,430	4,404	4,440	4,330	-	
Safex Sorghum (R/t)			2505,00	2,365	-	-	-	
Sunflower Calculated Option Prices (R/t) Absa Capital Trading Desk: 011 – 895 5524								
Mar-11			May-12			Jul-12		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
4,420	170	180	4,280	237	361	4,360	332	412
4,380	150	200	4,240	218	382	4,320	312	432
4,340	132	222	4,200	201	405	4,280	293	453

Fibres Market Trends

- International:** The wool figures are the same as the last report due to no activity over the festive period internationally and locally. The wool auctions will commence soon. The Australian market closed 2,1% lower than the previous sale at AU 1,168c/kg. The last sale was on the 7th Dec 2011. The A\$ has traded in a range between 1,02 and 1,03 US\$ during the week. Volatile market conditions overnight have seen the dollar trade briefly above 1,036 US\$, and more recently down to 1,015 US\$ and are currently trading at 1,017 US\$. The EMI after breaking out of the downward trading channel now looks to have formed a symmetrical



triangle pattern. This however doesn't provide any solid indication of direction of future market movement. Forward markets were softer this week along with the physical market. Trading remains thin, with very little activity, and few bids beyond June next year. Cotton prices were 7,14% higher than a week ago and 30,99% lower than the same period last year.

- **Domestic:** The wool auctions will commence this week. The last wool auction was held on the 7th December 2011 with 14,137 bales of wool on auction of which 89,6% was sold. Prices were lower which saw a stronger rand pushed wool prices down at the final sale before the Christmas recess and the Cape Wools' Merino indicator decreased by 3,2% to close the first half of the season at R98,15/kg (clean). This is almost 56% higher than at the corresponding sale last season. The rand had gained 4,4% against the US dollar compared with last week's average rate, trading at R7,96, while at R10,68 it was up 3,6% against the euro. Sales will resume on 11 January 2012 when approximately 10 000 bales will be on auction.

Outlook

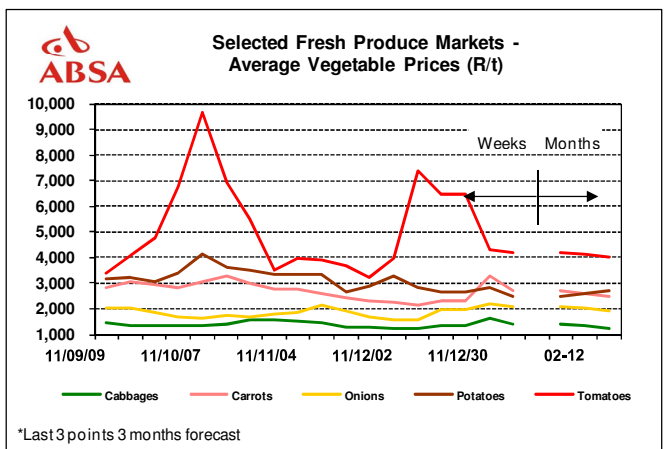
International wool prices can increase in the short term with a possible sideways movement in the medium term due to demand after the recess but concerns over the Eurozone crisis still making buyers uncertain to buy. Cotton prices will continue to move upwards with a sideways movement in the short term due to new demand after the holiday period and relative high wool prices. Locally, the wool and cotton prices will follow the international markets into an increasing trend in the short term with a sideways movement thereafter.

Fibres Market Trends Week ending 06 January 2012

Wool prices	SA prices (R/kg)	Australian prices (R/kg)	Australian Future Jan - 2012 (AU\$/kg)	Australian Future Mar - 2012 (AU\$/kg)
Wool market indicator	98,15	95,54	-	-
19µ micron	114,00	113,54	13,15	13,03
21µ micron	106,92	106,48	12,20	12,08
23µ micron	93,55	92,88	9,94	9,82
Cotton prices	SA derived Cotton (R/kg)	New York A- Index (US\$/kg)	New future York Dec- 2011 (US\$/kg)	New future York Mar- 2012 (US\$/kg)
Cotton Prices	17,97	2,21	2,08	2,09

Vegetables Market Trends

- **Cabbages:** Cabbage prices decreased with 12,0% w/w, but traded 32,4% lower y/y for the week under review but 48,4% higher than two years ago. Volumes increased 20,4% on a w/w basis. Prices decreased due to an increase in volumes after the holiday period. Prices are expected to move downwards with a possible sideways in the short to medium term due to lower buying power after the festive season.
- **Carrots:** Carrot prices decreased by 18,3% w/w but traded 17,9% higher y/y and traded 5,8% higher than two years ago. The price decrease was due to a 3,5% increase in



supplies. Prices are expected to move downwards and then sideways in the short to medium term of the second half of summer.

- **Onions:** Onion prices decreased by 3,8% w/w, but traded 15,7% higher y/y and 8,4% higher than two years ago compared to the same week. The price decreased was due to an 24,4% increase in volumes. Prices are expected to move sideways in the short to medium term.
- **Potatoes:** Potato prices decreased by 11,8% w/w but traded 23,6% higher y/y and 3,4% lower than the same week two years ago. Prices decreased due to a massive 31,8% increase in volumes compared to the previous week. Prices are expected to move sideways with a possible decrease in the short term after the festive activities but possible wet conditions can prevent harvesting which will lead to price increases in the medium term.
- **Tomatoes:** Tomato prices decreased by 2,7% w/w but was 20,0% higher y/y and 11,7% higher than two years ago. Prices decreased due to a 10,6% increase in volumes. Prices are expected to move downwards and then sideways in the short to medium term. Higher supplies and lower customer buying power influence prices.

Vegetable Prices: Fresh Produce Market (Averages on the Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban markets)				
Week ending 06 January 2012	This week's Average Price (R/t)	Previous week's Average Price (R/t)	This week's Total Volumes (t)	Previous week's Total Volumes (t)
Cabbages	1,422	1,204	925	1,264
Carrots	2,690	2,152	1,106	1,744
Onions	2,106	1,582	2,929	6,249
Potatoes	2,492	2,824	10,754	14,716
Tomatoes	4,208	7,366	2,698	2,843

Disclaimer: Although everything has been done to ensure the accuracy of the information, Absa Bank takes no responsibility for actions or losses that might occur due to the usage of this information.

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