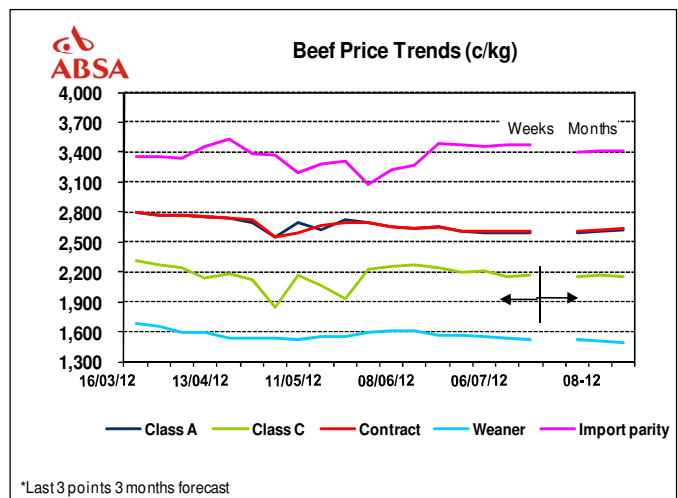


When is imports necessary and when is it deemed to be dumping?

Commodity prices are under pressure and moving sideways. South African farmers are price takers and therefore under pressure to realise big enough profits to survive and taking their business forward. South Africa imports most products to support current production. Certain countries produce more than they need or to support their markets. When they have excessive production and don't know what to do with it, they export or so called "dumping" it into countries where no or little mechanisms is in place to prevent them from selling it at a lower cost than they do in their own country. This is one of the reasons why South African producers struggle, there is foreign products in the market at very low costs. To help producers survive, there should be mechanisms put together by government to prevent dumping of products. These mechanisms should support primary producers not only in the Agri sector but also in the manufacturing and production sectors. These mechanisms should not only be on the books, it should be enforced otherwise there will be a lot of farmers and farm workers without jobs.

Beef Market Trends

- International:** The US market prices traded lower during the week compared to the previous week. In the US, beef traded as follows: Top inside traded 0,57% lower at \$ 202,56/cwt, Rump traded 6,77% lower at \$ 326,77/cwt and Strip loin traded 11,99% lower at \$ 665,92/cwt. Chuck traded 0,64% lower at \$ 208,57/cwt, Brisket traded 1,82% lower at \$ 213,66/cwt which give us on average a decrease of 6,55% in carcass prices at \$ 304,69/cwt. New Zealand steer prices traded higher at NZ 387,00 c/kg and the cow prices also traded higher at NZ 309,67c/kg. Import parity increased by 0,36% due a weaker



exchange rate against the NZ and slightly higher prices. Prices for manufacturing beef exported to the US weakened during the past week as the world market remained stressed. However, prices in New Zealand increased slightly late in the week as some uncertainty was cleared around the future of the processing plants owned by one of the largest imported beef processors, which filed for Chapter 11 bankruptcy earlier in 2012. New Zealand beef exporters are well placed at the moment but are slightly under pressure to sell manufacturing beef because the cattle slaughterings are nearing their seasonal low. Young calf processing is now becoming the focus for many processors. Weekly throughput of cattle is starting to lift in the North Island and South Island. In the US the Pacific Northwest port system, second only to the Mississippi as an export corridor for US feed grains, is expanding its capacity to supply the fast growing markets in China and in East and South Asia. The Pacific Northwest port system export terminals receive grain via rail from the Upper Midwest and the Northern and Central Plains.

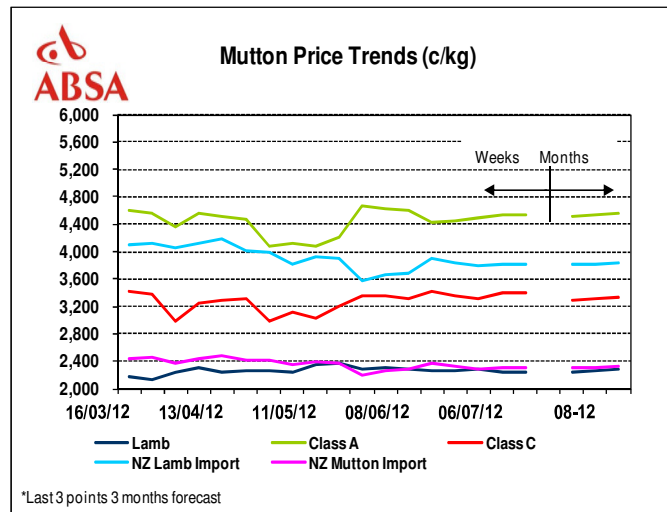
- Domestic:** Local beef prices also traded higher during the past week compared to the previous week, following the international market. The prices of the different meat classes were as follows: Class A prices increased by 0,31% to R25,95/kg, Class C prices increased by 1,26% to R21,73/kg and contract prices increased by 0,23% closing at R26,07/kg. However, the weaker prices traded lower at R15,25/kg or 0,39% lower compared to the previous week. Hide prices traded the same at R9,32/kg for the week compared to last week's R9,32/kg. The landed imported price of beef trimmings from Namibia and Botswana traded higher at R42,30/kg week-on-week.

Outlook

Internationally, beef prices are expected to move lower in the short term due to higher marketing numbers because of the high temperatures and dry conditions in the US but in New Zealand prices should increase as we nearing the end of the New Zealand season. In the local market, the price of beef will move sideways in the short term because of cattle that will be market of maize rests, with an upward movement into medium term when the planting season starts.

Mutton Market Trends

- International:** The New Zealand lamb and mutton prices traded higher this week compared to last week. New Zealand lamb closed the week the same at NZ \$ 5,56/kg while New Zealand ewe closed higher at NZ\$ 3,00/kg for the week. New Zealand lamb exporters have seen a rough time. Patience is the key for New Zealand lamb exporters. It appears to be widely accepted that prices in general have declined enough for frozen product into Europe to start an upward movement, but a turnaround in end-user demand can't be expected to happen overnight. The latest Agricultural Outlook projects is that global sheep numbers will



increase to 3 billion sheep by 2021 if there is not any drought that will lead to decreasing herds. The biggest increases in meat production are expected to come from developing countries whose economies will grow due to improved genetics and an increase in intensive feeding, resulting in heavier carcasse weights and easier marketing. Increased demand for New Zealand and Australian lamb is expected to come from the following: China, Saudi Arabia, Jordan, United Arab Emirates and Qatar in response to income growth in the countries.

- Domestic:** The mutton price traded higher during the week compared to the previous week. The Class A2 prices closed the week at R45,40/kg which is 0,31% higher than the previous week. Class C2 prices closed at R34,00/kg or 0,35% higher, while contract prices closed at R45,25/kg or 0,22% higher during the past week. The price of lamb traded lower at R22,46/kg for the week. The average price for a dorper skin traded lower compared to the previous week at R55,14 per skin and the price of a merino skin also traded lower at R61,43 per skin. The landed imported price of mutton rib from Australia and New Zealand traded lower at R23,65/kg compared to the previous week and mutton shoulder traded the same at 42,99/kg, compared to last week according to AMIE.

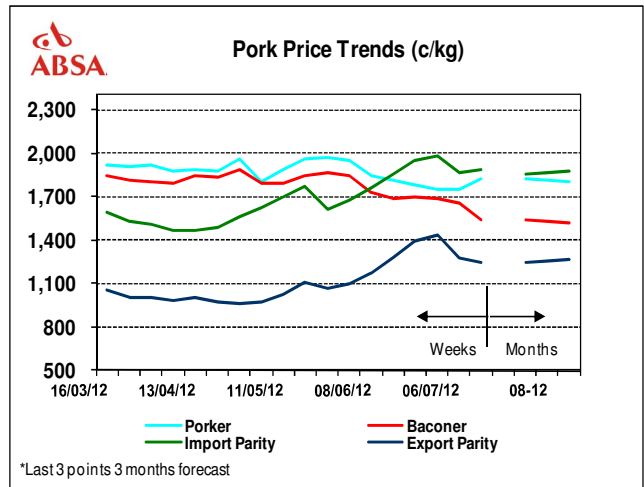
Outlook

Internationally, prices will move sideways in the short term, with an increase in the medium term due to higher demand in the export markets but with uncertainty depending on how fast the economic crisis will

recover. Locally, the prices of mutton will move sideways in the short term with an increase in the medium term due to higher demand during the start of spring.

Pork Market Trends

- International:** US pork prices traded lower during the week compared to last week's prices. Carcass prices traded 2,94% lower at US\$ 89,61/cwt, Loin traded 5,56% lower at US\$ 99,36/cwt, Rib traded 8,18% lower at US\$ 123,48/cwt and Ham traded the same at US\$ 71,94/cwt. There was 61,25 loads of pork meat sold on Friday compared to 45,25 loads the previous week, which was an increase of 35,36% in supplies. Import parity for ham traded 1,35% higher due to a weaker exchange compared to the previous week. The price of Fresh loins was steady but butts were lower while skinned hams were not tested. Bellies were steady to weak while lean trimmings were steady. Trading was slow to moderate, with light to moderate demand and offerings. Canada's pork production subsidies have become the focus of much discussion now with Canada's inclusion into the Trans-Pacific Partnership (TPP). The USA, New Zealand and Australia up in arms over Canada's open agricultural subsidisation schemes, in particular those schemes centred on pork production. They claim that Canada's support of the sector distorts the market for pork.



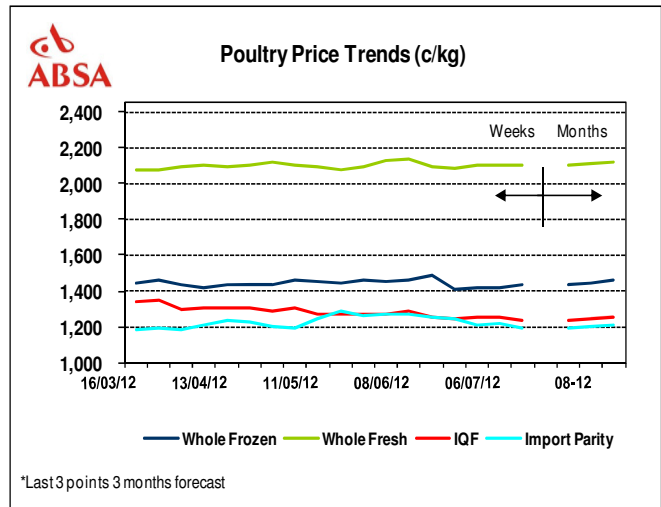
- Domestic:** Local pork prices traded mixed in the past week and not following the decreases in the US market. The price of Porkers traded higher at R18,21/kg (3,82%), while the price of Baconers traded lower at R15,35/kg (-7,14%) and contract traded lower at R16,78/kg (-1,50%). Enough supplies of pork meat are available which keep prices under pressure. Slaughtering were 1,96% higher last week compared to the previous week. According to AMIE the landed price of imported loin from Canada and the US traded lower at R26,10/kg week-on-week.

Outlook

Internationally, prices are expected to decrease in the short term and move sideways into the medium term due to high stocks levels that are available in the market. Locally, the prices are expected to move sideways in the short term due to slightly high stock level but upwards into medium term due to higher demand in the market.

Poultry Market Trends

- International:** The poultry prices in the US traded mixed during the past week compared to the previous week. Whole bird prices traded 0,67% higher and closed at 83,92c/lbs. Breasts traded 0,73% lower and closed at 135,5c/lbs, while leg quarters traded 4,0% lower at 48,0c/lbs compared to last week. Import parity traded 1,92% lower due to lower prices despite of a weaker Rand: US\$ exchange rate. Prices for whole broiler were trending steady in all areas. Majority prices were unchanged in the West and Midwest when compared to early week prices. Offerings were light to moderate for current trade needs. Retail and food service demand was light to moderate entering the weekend. Floor stocks were balanced. Market activity was mostly moderate. In the parts structure, movement improved slightly and was noted as moderate overall. Prices were firm for wings and tenders, steady for boneless skinless and most dark meat. Offerings of wings were light, breast items and dark meat items were light to moderate. Market activity was slow to moderate. In production areas, live supplies were moderate. The estimated number of broiler-fryers available for slaughter the week ending 14-Jul-12 is 157,1 million chickens compared to 161,6 million chickens slaughtered the same week last year. The estimated U.S. slaughter this week is 157,6 million chickens or 0,5 million chickens more than estimated available. For the week of 21-Jul-12 the estimated available is 157,1 million chickens. The Andra Pradesh Poultry Federation has asked the Indian government to support their poultry farmers, who are facing higher feed costs, with subsidised rates on wheat and rice. The Ministry for Consumer Affairs and Public Distribution has been asked to allocate at least 200,000 tons of wheat and rice at subsidised rates to the poultry farmers who were not able to pay the higher feed price which comprises of maize and soya. India's maize yield was 19 million tons last year and that of soya 11,50 million tons. This has resulted in the increase in the cost of production of an egg to €0,048 and that of broilers to €1,34 per kg. In India, the poultry industry contributed €8,94 billion to the GNP and provided employment to more than six million people. Also, 200,000 maize producers and 400,000 soya bean producers are directly dependent on this sector because 80% of the maize and a considerable amount of the soya meal produced in India are utilised by the poultry industry. In Belgium, the Federal Animal Welfare Authority has informed the Farmer's Association that the conversion period for change from battery cages to enriched cages and alternative systems will end the 31st of July. There will be no additional time and surveillance will be sharpened. Companies found not complying in the past can expect an inspection, and from the 31st July eggs found to be from battery hens will be destroyed.



- Domestic:** Poultry prices closed mixed this week compared to the previous week. Frozen birds traded 1,41% higher at R14,38/kg compared to the previous week. Whole fresh medium bird prices traded 0,05% lower at R21,00/kg and IQF traded 1,20% lower at R12,36/kg for the week compared to the previous week. Stock levels in the market are moving good despite of little price movement. The landed price of Brazilian imported chicken leg quarters traded higher at R15,45/kg, with grillers trading lower at 21,15/kg week-on-week according to AMIE.

Outlook

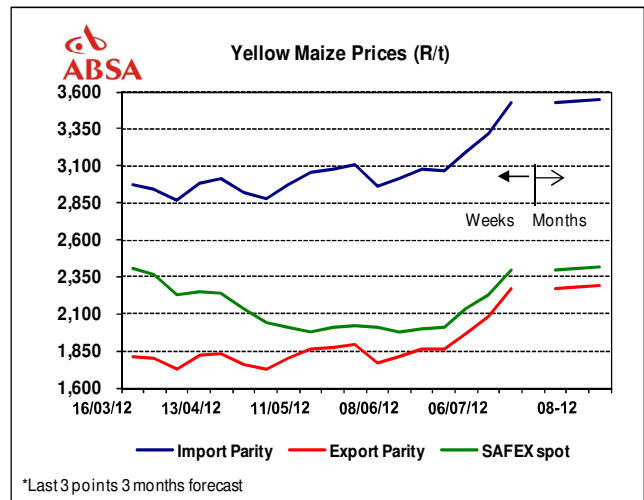
Internationally, prices will trade higher in the short to medium term due to higher demand but the higher maize prices will put producers further under pressure because of an increase in feed prices. Locally,

the market is still expected to trade sideways in the short term but stock levels will start to clear due to good movement and upwards in the medium term due to higher demand.

Livestock Prices (R/kg) 13 July 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	25,95	25,87	45,45	45,26	18,21	17,54	21,00	21,01
Class C/ Baconer / Frozen birds	21,73	21,46	34,00	33,88	15,35	16,53	14,38	14,18
Contract / Baconer/ IQF	26,07	26,01	45,25	45,15	16,78	17,04	12,36	12,51
Import parity price	34,79	34,66	23,05	23,01	18,85	18,60	11,91	12,15
Weaner Calves / Feeder Lambs/	15,25	15,31	22,46	22,49	-	-	-	-
Specific Imports: Beef trimmings 80vl/b/Mutton Shoulders/Loin b/in /chicken leg1/4	42,30	41,05	42,99	42,99	26,10	26,10	15,45	15,30

Yellow Maize Trends

- International:** The average yellow maize prices increased again week-on-week. The US yellow maize spot price on average closed the week 6,7% or US\$ 20,31/t higher compared to the previous week. If we compared Friday to Friday, there was almost a 7\$/t increase for the week. Hot dry weather persists over Midwest and shows no signs of improving. Temperatures could be as hot as 35-37°C east of the Mississippi river and 37°C+ over the central and Upper Plains. Persistent and extreme dryness across the central and eastern Maize Belt and extreme late June and early July heat from the central Plains to the Ohio River Valley have substantially lowered yield prospects across most of the major growing regions. Major maize growing regions had witnessed inadequate rainfall coupled with record-breaking high temperatures, creating unfavourable growing conditions evident in reports in Missouri, and wilted leaves in Iowa, the top maize and soybean producing state. Maize, wheat and sorghum all closed higher with soybeans lower on Friday. This week the USDA released its Supply and Demand Reports and cut the US maize crop estimate by 12% to 146 bushels per acre because of a swift decline in crop conditions since early June from excessive heat and drought conditions. Maize ending stocks for 2012-13 are now projected at 1,2 billion bushels, down 698 million bushels from last month's projection. Maize had bearish weekly export sales of 664,800 tons with 172,700 tons from the 2011-12 seasons. The supply concerns for US and former Soviet Union grains stay the main drivers of grain markets, with estimates still being cut for Russia and the Ukraine. In the US, June export figures hit a two-month high, with Japan and Mexico being the top importers. In addition, top maize importers China and South Korea are already ordering larger shipments in anticipation of



lowered yield prospects across most of the major growing regions. Major maize growing regions had witnessed inadequate rainfall coupled with record-breaking high temperatures, creating unfavourable growing conditions evident in reports in Missouri, and wilted leaves in Iowa, the top maize and soybean producing state. Maize, wheat and sorghum all closed higher with soybeans lower on Friday. This week the USDA released its Supply and Demand Reports and cut the US maize crop estimate by 12% to 146 bushels per acre because of a swift decline in crop conditions since early June from excessive heat and drought conditions. Maize ending stocks for 2012-13 are now projected at 1,2 billion bushels, down 698 million bushels from last month's projection. Maize had bearish weekly export sales of 664,800 tons with 172,700 tons from the 2011-12 seasons. The supply concerns for US and former Soviet Union grains stay the main drivers of grain markets, with estimates still being cut for Russia and the Ukraine. In the US, June export figures hit a two-month high, with Japan and Mexico being the top importers. In addition, top maize importers China and South Korea are already ordering larger shipments in anticipation of

possible supply problems and even higher prices. The increase came despite data showing economic growth in China, the top importer of many commodities, falling below 8% in the second quarter for the first time since 2009. The US maize harvest estimate was slashed by more than 45,2m tons to 329,5m tons a downgrade bigger than the combined 2011-12 exports of Ukraine, Argentina and Brazil, the world's second, third and fourth-ranked exporters. Ethanol plants, importers and livestock feeders were seen sharing the pain of lower supplies, although US export hopes for wheat, an alternative grain for some users, were pushing higher.

- Domestic:** The local maize market followed the international market and traded on average 7,6% higher or R169,40/t higher during the past week supported by a weaker rand. The average exchange rate for the week was also weaker at R8,26/US\$ compared to R8,15/US\$ the previous week, which was a 1,3% decrease. Safex futures traded higher again during the week: Jul-12 traded 9,43% (R215/ton) higher, Sept-12 traded 8,85% (R204/t) higher, Dec-12 traded 8,33% (R197/t) higher, Mar-13 traded 7,69% (R181/t) higher, May-13 traded 5,68% (R125/t) higher and Jul-13 traded 5,50% (R120/t) higher from the previous week.

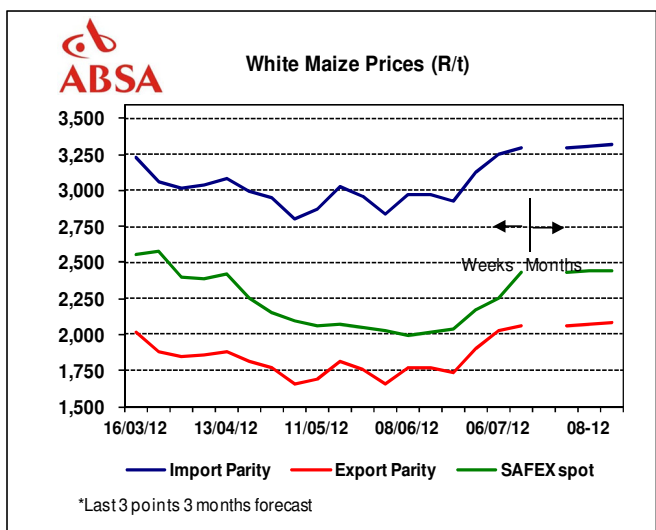
Outlook

Internationally, prices will trade higher due to concerns about the ongoing hot, dry weather over the Midwest of the US with little chance for rain during the next two weeks. Locally, the market is expected to follow the international prices and trade upwards in the short term with sideways movement in the medium term due to higher demand because of a possible smaller harvest than expected.

Yellow Maize Futures 13 July 2012			Jul-12	Sept-12	Dec-12	Mar-13	May-13	
CBOT (\$/t)			297,46	291,48	291,40	291,95	290,61	
SAFEX (R/t)			2,495	2,510	2,561	2,535	2,325	
Sep-12			Dec-12			Mar-13		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2,540	113	83	2,600	184	145	2,580	223	178
2,500	91	101	2,560	162	163	2,540	200	195
2,460	72	122	2,520	141	182	2,500	179	214

White Maize Trends

- International:** The US white maize spot market traded a 0,2% or US\$ 0,59/t higher in the past week compared to the previous week. The local import parity of white maize traded 1,3% higher compared to the previous week due to higher prices and a weaker rand dollar exchange rate. The rand weakened from R8,15 against the dollar last week to R8,26 this week.



- Domestic:** The local average white maize spot price traded 7,6% (R172,20/ton) higher compared to the previous week, with white maize still trading 36,0% higher than the same time a year ago. Week-on-week white maize future contracts traded higher this week. Jul-12 traded 9,11% (R212/t) higher, Sept-12

traded 8,70% (R205/t) higher, Dec-12 traded 8,22% (R199/t) higher, Mar-13 traded 7,98% (R193/t) higher, May-13 traded 8,33% (R179/t) higher and Jul-13 traded 5,75% (R125/t) higher compared to last week.

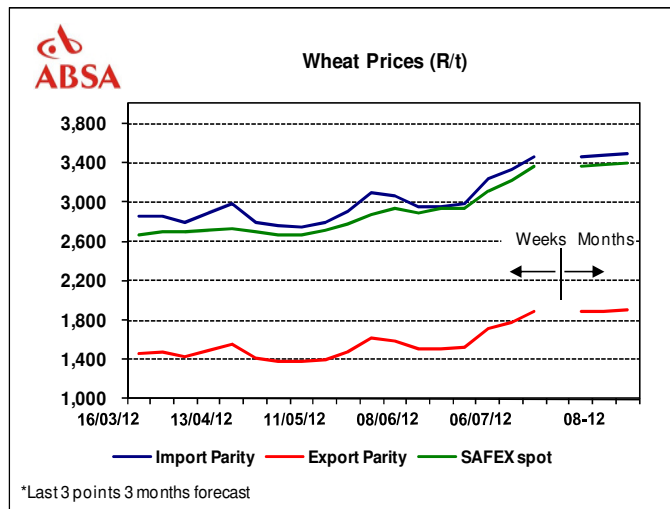
Outlook

Internationally, the white maize price will follow the international yellow maize and trade higher in the short term with a sideways movement into the medium term due to ongoing hot and dry weather conditions without chances of good rains in the near term. Locally, prices will trade higher in the short term and sideways into medium term, due to higher demand and concerns about world prices.

White Maize Futures 13 July 2012			Jul-12	Sept-12	Dec-12	Mar-13	May-13		
SAFEX (R/t)			2,538	2,562	2,620	2,611	2,329		
Sep-12			Dec-12			Mar-13			
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call	
2,600	131	93	2,660	208	168	2,640	232	203	
2,560	109	111	2,620	186	186	2,600	210	221	
2,520	89	131	2,580	165	205	2,560	189	240	

Wheat Market Trends

- International:** The average weekly wheat spot price traded 3,8% (\$11,71/t) higher compared to the previous week. Soft red wheat traded 3,5% (\$10,42/t) higher, while hard red wheat traded 4,1% (\$12,99/t) higher. Import parity traded 4,3% higher due to higher prices and a weaker rand dollar exchange rate. Wheat had bearish export sales of 311,800 tons. Wheat farmers were seen benefiting from the increased maize price. The revival of wheat prices, which increased by more than 20% over the last month in Australia is offering producers an opportunity to take advantage of very good price margins this year. Wheat found



support from the higher maize prices and was a top performer, up by 1,7% in Chicago for September delivery, after the USDA cut its estimate for world production in 2012-13 by 6,7m tons to 665,3m tons. Russia's wheat production was decreased by 4,0m tons, with lower expected yields for winter wheat and lower area and yield prospects for spring wheat. Kazakhstan production was decreased 2,0m tons due to constant heat and dryness which have also reduced production prospects with a 2,0m-ton downgrade to the Chinese crop. Analysts decreased the expected Australian harvest by 1,9m tons to 24,5m tons, following dry weather in many production areas. Australian estimated wheat exports for 2012-13 were pegged at 21,0m tons, slightly higher than previously forecasted. June rains in South Australia had come in time to boost wheat plantings, although plantings came in two weeks or more past the ideal planting window. The reduction in the area planted to wheat across the state was not as great as anticipated prior to planting. The emergence of an El Nino weather pattern, which tends to bring dryness to much of Australia, has been ringing alarm bells, which may increase the risk

of a dry finish to the 2012 crop year. The favourable sub-soil moisture levels in most regions, will prevent a major crop failure this season.

- **Domestic:** The average SAFEX wheat spot price traded 4,7% or R152,00/t higher this week compared to the previous week. Safex future prices traded higher during the past week compared to last week: Jul-12 traded 7,20% (R234/t) higher, Sep-12 traded 6,74% (R223/t) higher, Dec-12 traded 5,49% (R177/t) higher and Mar-13 traded 5,39% (R174/t) higher compared to the previous week.

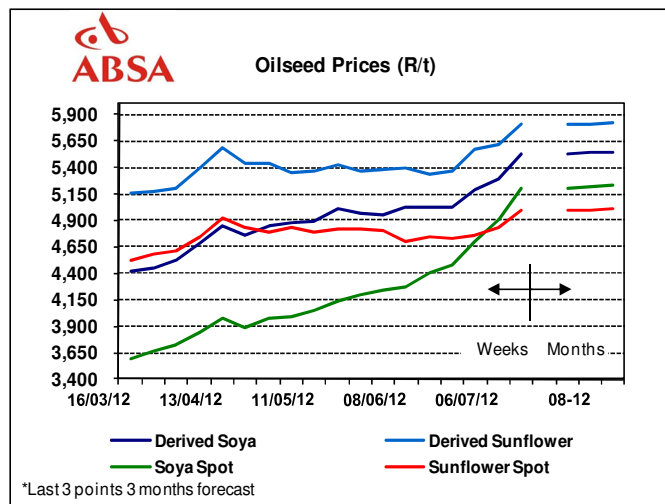
Outlook

Internationally, prices are expected to trade higher in the short term and sideways into medium term following coarse grain prices and due to quality and yield concerns in the Black Sea region. Prices will increase due to supply concerns. Locally, the market will continue to follow the higher international market prices due to conditions about drought.

Wheat Futures 13 July 2012		Jul-12	Sept-12	Dec-12	Mar-13	May-13		
KCBT (\$/t)		311,22	318,27	321,65	322,76	311,22		
SAFEX (R/t)		3,484	3,534	3,399	3,402	-		
Sep-12			Dec-12			Mar-13		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
3,580	163	117	3,440	238	197	3,440	264	226
3,540	141	135	3,400	216	215	3,400	243	245
3,500	121	155	3,360	195	234	3,360	222	264

Oilseed Market Trends

- **International:** US soybean prices traded week-on-week on average 4,4% or \$26,20/ton higher compared to the previous week. The current price is 17,8% higher compared to the same time a year ago. Soy meal traded 4,8% higher while Soy oil traded 1,2% higher compared to a week ago. Less dramatic than maize, but still projected lower is soybean production, this is projected at 3,050 billion bushels which is down 155 million bushels. Soybeans had bullish export sales of 759,200 tons with 332,100 tons for the 2011-12 seasons. The conditions had dashed hopes in the US of a bumper soybean yield of 43,9 bushels per acre too, with the estimates cut to 40,5 bushels per acre. The drop reflects sharply declining crop conditions because of limited rainfall since early April coupled with excessive heat across much of the producing area in late June and early July, who a month ago cautioned investors against an early dryness on US crops. The cut increased further fears for US soybean supplies which users have been banking on to tide them over, following a disappointing South American harvest.



- The trial began this week between Monsanto and DuPont over control of a popular seed technology worth billions of dollars, this is the latest saga in the ongoing battle between the two

agricultural giants. The two companies have been battling it out for years over the use the seed technology that makes soybeans, corn and other crops tolerant of glyphosate-based herbicide, letting farmers spray the weed killer directly over the crops. In the trial in St. Louis, expected to last about three weeks, Monsanto is arguing that DuPont through its Pioneer Hi-Bred International unit has violated a 2002 licensing agreement giving DuPont the right to use Monsanto's glyphosate-tolerant Roundup Ready soybean trait. DuPont counters that Monsanto acted fraudulently in obtaining the patent.

- Domestic:** The average soybean spot prices traded 6,0% or R294,20/t higher compared to the previous week. The local market increased due to higher prices and a weaker rand against the US dollar from R8,15 to R8,26. The current price is 56,6% higher compared to the same time last year. The soybean futures prices traded higher during the past week: Jul-12 traded 5,14% (R259/t) higher, Sept-12 traded 5,26% (R266/t) higher, Dec-12 traded 5,30% (R270/t) higher, Mar-13 traded 1,61% (R80/t) higher and May-13 traded 2,15% (R95/t) higher compared to the previous week. The average sunflower spot prices for the week traded 3,4% or R164,8/t higher than the previous week. This is still 22,30% higher than the same time a year ago. The sunflower futures prices closed higher compared to the previous week: Jul-12 traded 4,31% (R210/t) higher, Sept-12 traded 4,23% (210/t) higher, Dec-12 traded 4,92% (R250/t) higher and Mar-13 traded 2,94% (R150/t) higher compared to the previous week. Sorghum futures for Jul-12 traded 6,99% or R10/t higher and Sept-12 traded R235/t or 8,66% higher.

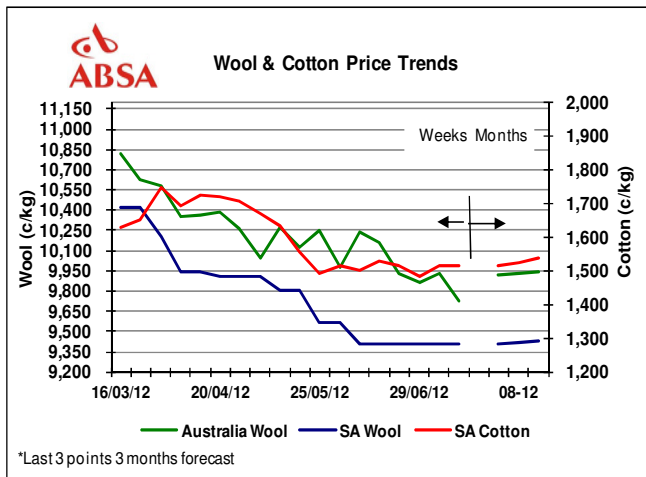
Outlook

Internationally, Soybean markets will continue to find support from the dry hot weather in the US with increase prices in the short term and a sideways movement in the medium term until it is certain how the US harvest will be turn out due to unfavourable conditions. Locally, the soybean prices will follow international prices in an upward movement in the short term and a sideways movement into medium term due lower world production.

Oilseeds Futures 13 July 2012			Jul-12	Sept-12	Dec-12	Mar-13	May-13	
CBOT Soybeans (US \$/t)			603,33	576,66	568,87	550,86	531,68	
CBOT Soy oil (US c/b)			53,57	53,91	54,54	54,84	55,10	
CBOT Soy cake meal (US \$/t)			488,90	465,60	453,40	448,40	427,40	
SAFEX Soybean seed (R/t)			5,294	5,325	5,360	5,040	4,515	
SAFEX Sunflower seed (R/t)			5,080	5,170	5,335	5,250	-	
Safex Sorghum (R/t)			2,950	2,910	-	-	-	
Sunflower Calculated Option Prices (R/t) Absa Capital Trading Desk: 011 – 895 5524								
Sep-12			Dec-12			Mar-12		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
5,200	222	192	5,380	237	192	5,280	367	337
5,160	201	211	5,340	215	210	5,240	346	356
5,120	181	231	5,300	195	230	5,200	325	375

Fibres Market Trends

- International:** The Australian market again closed lower than the previous sale at AU 1,062c/kg. Cotton price closed 3,59% higher on US 65,06c/lbs compared to last week price of 67,48c/lbs. The total cotton sales for the week were 5,774 bales compared to 3,053 bales last week and 2,228 bales reported a year ago. Total spot transactions for the season were 884,193 bales, compared to 646,198 bales the corresponding week a year ago. Some areas of the coast had received about 12 inches of rainfall. Industry reports indicated that some yield potential was lost, because of the heavy rain since most fields had opened bolls. The heavy rains also caused damaged on grain harvest. In Kansas in the US, cotton had begun to bloom early under warm, dry windy conditions. In eastern Kansas, the dry land cotton was stressed and needed more rainfall. In western Kansas, mostly cotton under irrigation, a good general rainfall was received that advanced the crop in the dry and areas. In Oklahoma, some fields benefitted from scattered thunder showers, but other areas were dry and stressed with good rains needed to moisture the soil. The crop was rated fair to good.



- Domestic:** There was no wool auction in the local market for the week because the season for 2011/12 has closed. The first sale for the new season will take place at the 15th August. Derived cotton prices increased this week. The cotton price was 0,03% higher at R 15,17/kg compared to the previous week, but is still 13,38% lower than a year ago.

Outlook

International wool prices will remain under pressure due to the economic uncertainty in Europe with prices moving sideways in the short to medium term. Cotton prices will trade sideways in the short with a possible upward movement into medium term due to possible damage caused by heavy rainfall in the US cotton fields of Kansas. Locally, the first sale of the new wool season will be on the 15th Aug 2012 where we expect that price can open higher. Local cotton prices will move sideways in the short term with a possible sideways movement into the medium term due to growth concerns in the international market.

Fibres Market Trends				
Week ending 13 July 2012				
Wool prices	SA prices (R/kg)	Australian prices (R/kg)	Australian Future Sept - 2012 (AU\$/kg)	Australian Future Dec - 2012 (AU\$/kg)
Wool market indicator	94,11	86,27	-	-
19µ micron	103,07	99,95	12,20	11,70
21µ micron	102,58	97,21	11,75	11,25
23µ micron	101,28	97,70	10,55	10,05
Cotton prices	SA derived Cotton (R/kg)	New York A-Index (US\$/kg)	New York future Jul-2012 (US\$/kg)	New York future Oct-2012 (US\$/kg)
Cotton Prices	15,17	1,84	1,53	1,52

Vegetables Market Trends

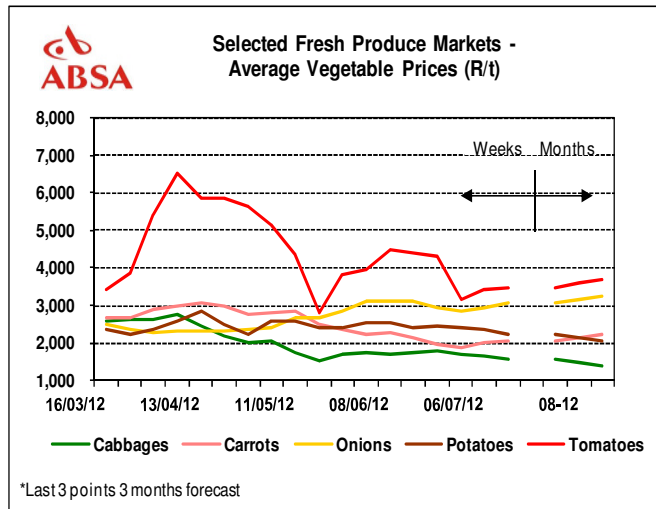
- Cabbages:** Cabbage prices decreased again, the week with 3,9% w/w and traded 5,2% lower y/y for the week under review and 8,4% higher than two years ago. Volumes decreased by a huge 7,9% on a w/w basis. Prices decreased despite of a decrease in volumes. Prices are expected to move downwards in the short term with a sideways movement into the medium term due to lower demand.

- Carrots:** Carrot prices increased by 1,8% w/w but traded 25,7% lower y/y and traded 43,8% lower than two years ago. The carrot price increased due to a decrease in volumes of 13,9%. Prices are expected to move slightly upwards in the short term with an upward movement in the medium term due to higher demand later in the season.

- Onions:** Onion prices increased by 3,7% w/w and traded 7,4% higher y/y but 26,5% lower compared to the same week two years ago. The price increased due to an decrease of 18,7% in volumes. Prices are expected to increase in the short to medium term due to higher demand during the summer months.

- Potatoes:** Potato prices decreased by 5,2% w/w and traded 8,3% lower y/y as well as 24,1% lower than the same week two years ago. The price decrease was despite of a 19,6% decrease in volumes compared to the previous week. Prices are expected to decrease in the short term with an upward movement into medium term depending on imports.

- Tomatoes:** Tomato prices increased by 2,3% w/w but traded 2,1% lower y/y as well as 43,6% lower than two years ago. The price increased was due to a 8,5% decrease in volumes. Prices are expected to move sideways maybe upwards towards month end and in the short term and upwards going into the medium term due to lower supplies during early spring.



Vegetable Prices: Fresh Produce Market (Averages on the Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban markets)				
Week ending 13 July 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	1,574	1,638	1,277	1,387
Carrots	2,046	2,010	1,526	1,773
Onions	3,052	2,942	4,741	5,834
Potatoes	2,238	2,360	13,155	16,370
Tomatoes	3,488	3,410	4,064	4,440

<p>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.</p>	<p>Enquiries: Dawid Snyman Specialist: Sector Intelligence Absa AgriBusiness E-mail: dawidsn@absa.co.za</p>
---	--