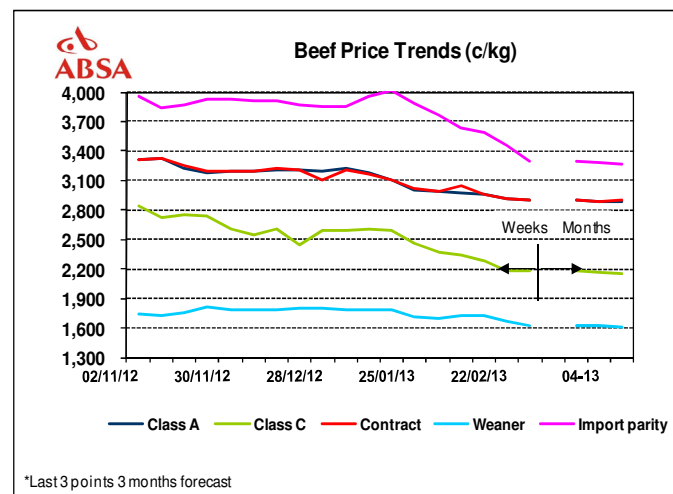


Labelling of products under the spotlight!

The horse meat saga and the recent testing of SA meat products puts the spotlight on labelling. Products must be labelled correctly, if we cannot trust the labels why should we buy the product. The EuroGAP or EU standards of labelling specify that products that are exported, must be labelled correctly. The retailer should be able to track the product back to the specific farm and more specifically the land on the farm. The producer must keep details of what fertilizer, insecticides and pesticides were used on the crop. The exporter of products must also keep samples for up to 8 weeks, in case there are problems with the quality of the product. Processed product labels should show what type of product it is, eg; beef, mutton, ostrich etc. It also must show the % content in the product. If we cannot trust the label to identify what we buying then should we buy it or rather why should we pay more in specific retailer shops for products that we thought we can trust? If the supplier does not label products correctly, they misrepresent what is in the product and therefore is liable for fraud. The bottom line is, you must get what you pay for, if you pay for oranges you must get oranges not plums, the same goes for meat and processed meat, the processor must labelled it according to what is in the meat for health and religious reasons.

Beef Market Trends

- International:** The US market prices traded mixed again during the week compared to the previous week. In the US, beef traded as follows: Top side traded 4,09% higher at \$ 202,16/cwt, Rump traded 1,86% lower at \$ 316,86/cwt and Strip loin traded 0,96% lower at \$ 464,67/cwt. Chuck traded 3,23% higher at \$ 232,00/cwt, Brisket traded 7,81% higher at \$ 198,94/cwt which gave us on average a increase of 3,06% in the carcass price of \$ 267,56/cwt. Steers and cows traded lower at Nz 355 c/kg (0,28%) and Nz 266 c/kg (4,32%) respectively. The latest slaughtering data released in NZ shows a huge increase in New Zealand cow slaughtering, with over 26,000 head processed during the last week. That is the highest ever cow throughput at such an early stage in the season, lead by a surge in the North Island. Almost all of these will be dairy cows, as the dry veldt conditions force producers to dry-off and cull old cows or cows that didn't perform earlier in the season. Cull numbers normally don't reach these levels until late March. With 25% of New Zealand's dairy herd located in Waikato, which is on the edge of being declared a drought disaster area, it's likely that higher numbers of slaughtering will come. Good supplies from New Zealand, against a backdrop of mediocre end user demand, have seen US market prices decreasing.



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- Domestic:** Local beef prices traded lower 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 decreased by 0,51% to R29,00/kg, Class C prices decreased by 0,41% to R21,75/kg and Contract prices decreased by 0,34% closing at R29,00/kg. The weaner prices traded lower during the last week at R16,27/kg which was 2,69% lower. Hide prices traded higher at R12,19/kg

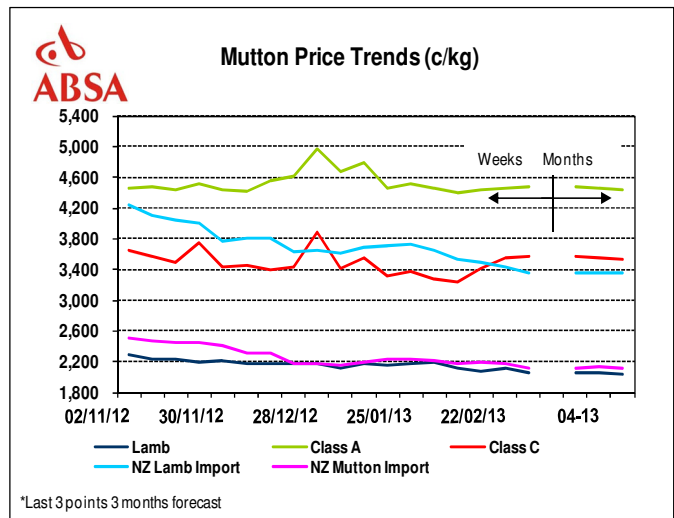
for the week compared to last week's R11,93/kg. The landed imported price of beef trimmings from Namibia and Botswana traded higher at R44,45/kg week-on-week.

Outlook

Internationally, beef prices are expected to still move downwards in the short term and sideways in the medium term due to mediocre demand and higher supplies from New Zealand. Locally, the price of beef will continue to move downwards in the short term due higher supplies, with a sideways movement in the medium term. Weaner prices will move downwards in the short term and sideways in the medium term due to the availability of higher numbers.

Mutton Market Trends

- International:** The New Zealand lamb and mutton prices traded lower this week compared to last week. New Zealand lamb closed the week lower at NZ\$ 4,30/kg for 15kg and other lamb weights were also lower while New Zealand ewe closed the same at NZ\$ 2,36/kg for the week. Import parity for lamb decreased by 2,50% and mutton decreased by 2,12% due a stronger exchange rate against the New Zealand dollar and lower prices. Dry weather in the North Island continues to force producers to offload lambs. During the first two months of 2013, 23% more lambs were processed than the same period



last year and carcase weights have been lighter than normal but, not all the lambs being offloaded are ready for slaughter. Unreliable reports indicate that every week thousands of lambs are being trucked to the South Island, where pasture growth conditions have been better. North Island producers are looking to send ewes for slaughtering but, most meat companies focusing on lambs this time of the year. Farmgate mutton prices are down 10% on the five-year average, with China currently buying most of the exports.

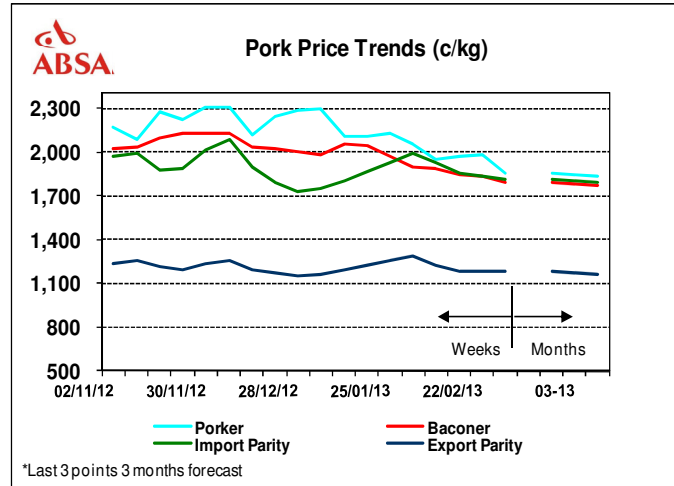
- Domestic:** The mutton price traded higher during the week compared to the previous week. The Class A2 prices closed the week on R 44,70/kg which was 0,34% higher than the previous week. Class C2 prices closed on R 35,70/kg or 0,39% higher, while contract prices closed higher on R 44,80/kg or 0,22% higher during the past week. The price of lamb traded lower at R 20,61/kg or 2,18% lower than last week. The average price for a dorper skin traded higher at R 63,33 per skin compared to the previous week but the price of a merino skin traded lower at R 71,67 per skin. The landed imported price of mutton rib from Australia and New Zealand traded higher at R 32,95/kg compared to the previous week but mutton shoulder's traded higher at R 38,75/kg according to AMIE.

Outlook

Internationally, prices will trade lower in the short term with a sideways movement into the medium term due to lower demand. Locally, the prices of mutton will move slightly upwards in the short term with a sideways movement in the medium term due to higher demand.

Pork Market Trends

- International:** US pork prices traded mixed during the week compared to last week's prices. Carcass prices traded 0,04% higher at US\$ 81,47/cwt, Loin traded 0,71% lower at US\$ 90,56/cwt, Rib traded 1,20% higher at US\$ 129,39/cwt and Ham traded 1,48% lower at US\$ 62,56/cwt. There were 34,25 loads of pork meat sold on Friday compared to 29,58 loads the previous week, which was an increase of 15,79% in supplies. Imports of pork into Taipei from the United States containing a controversial leanness-enhancing drug is not an issue at this point, but Taipei is going to insist on a policy of separating the rules for beef and pork imports. The Australian Advertising Standards Board has banned a television commercial released by Australian Pork Limited because it did not provide enough information to support claims that pork contains half the fat of red meat.



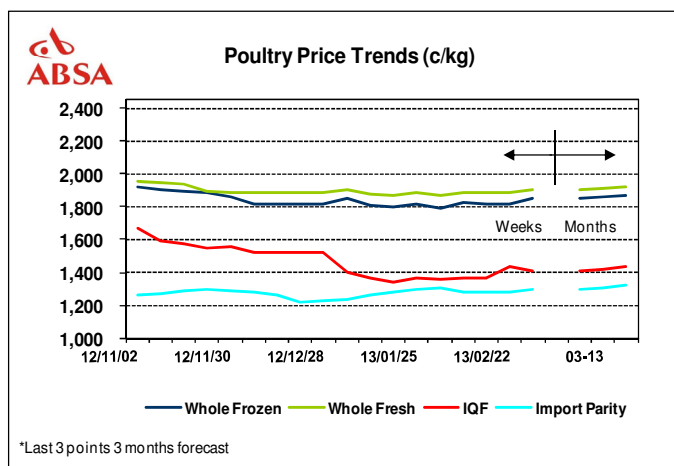
- Domestic:** Local pork prices traded lower during the past week compared to the previous week. The price of Porkers traded lower at R 18,57/kg (6,35%), and the price of Baconers traded lower at R 17,94/kg (2,18%) and Contract traded lower at R 18,26/kg (4,35%). According to AMIE, the landed price of imported loin from Canada and the US traded higher at R 31,75/kg week-on-week.

Outlook

Internationally, prices are expected to trade upwards in the short term with a sideways movement in the medium term due to higher demand. Locally, the prices are expected to trade downwards in the short term with a downwards movement in the medium term due to higher supplies and lower prices of substitute products.

Poultry Market Trends

- International:** The poultry prices in the US traded higher during the past week compared to the previous week. Whole bird prices traded 2,81% higher and closed at 104,52 c/lbs due to higher demand and 5,8% lower supplies. Breasts traded higher and closed at 139 c/lbs, while leg quarters traded the same and close at 50,0/lbs compared to last week. The estimated number of broiler-fryers available for slaughter the week ending 02-Mar-13 was 155,4 million chickens compared to 153,5 million chickens slaughtered the same week last year. The estimated U.S. slaughter this week is 156,0 million chickens or 0,6 million more than estimated available. For the week of 09-Mar-13 the estimated available is 153,9 million chickens. Whole broiler prices were trending firm to higher. Offerings were light but enough for trade needs. Retail and food service demand was mixed, with slight optimism due to upcoming retail ads. Floor stocks were closely balanced to short as buyers keep purchases limited. Market activity for



whole birds was moderate. In the parts structure, movement was moderate. Prices were at least steady for breast cuts, steady to weak for wings and tenders, and steady for all others. Supplies of wings and tenders were moderate to heavy, breast cuts and dark meat items were light to moderate. Market activity for parts was slow to moderate. In production areas, live supplies were moderate at mixed but mostly desirable weights. European Union and especially, South African chicken producers are missing out on improving conditions in the world poultry industry due to a lack of discipline over output, which is undermining pricing power. The outlook for poultry producers in most countries looks good due to decreases in feed costs and the elevated prices of competitor meats such as beef and poultry. In Ukraine, due to ongoing high margins and a good local supply situation, producers also expected to face a boost from the start of exports to the EU in the current quarter.

- Domestic:** Poultry prices traded mixed during this week compared to the previous week. Frozen birds traded higher at R 18,48/kg or 1,65% compared to the previous week. Whole fresh medium bird prices higher at R 19,02/kg or 1,06% but IQF traded lower at R 14,05/kg or 2,09% for the week compared to the previous week. The landed price of Brazilian imported chicken leg quarters traded higher at R 17,40/kg, with grillers also higher at R24,90/kg week-on-week according to AMIE. RAINBOW Chicken has successfully raised R3.9bn through a rights issue. South Africa's largest processor and marketer of chicken Rainbow, will use the proceeds to fund strategic growth opportunities, including its 64,2% acquisition of Foodcorp for R1,04bn. Its purchase of Zam Chick from Zambian agribusiness Zambeef for \$14,25m will also be partly funded from the proceeds of the rights offer. Increasing commodity prices, inflation and surging chicken imports from Brazil have put pressure on local poultry players to diversify.

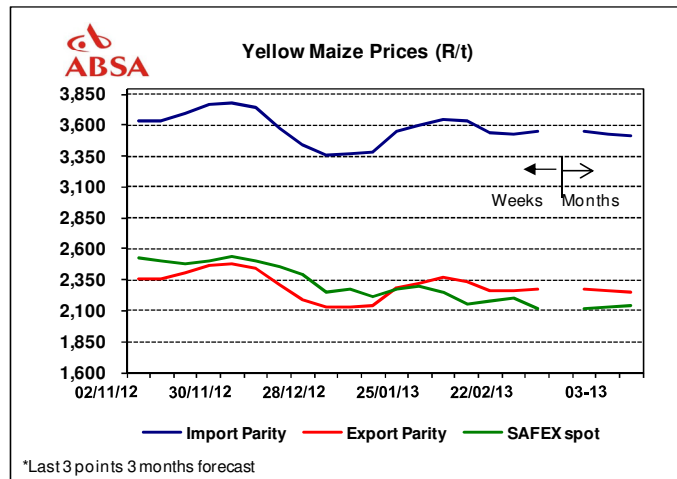
Outlook

Internationally, prices will trade upwards in the short term with a sideways movement in the medium term due to lower supplies. Locally, the market is expected to trade sideways in the short term with an upward movement in the medium term due to higher demand.

Livestock Prices (R/kg) 01 March 2013	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	29,00	29,15	44,70	44,55	18,57	19,83	19,02	18,82
Class C/ Baconer / Frozen birds	21,75	21,84	35,70	35,56	17,94	18,34	18,48	18,18
Contract / Baconer/ IQF	29,00	29,10	44,80	44,70	18,26	19,09	14,05	14,35
Import parity price	32,94	34,57	21,19	21,65	18,08	18,31	12,99	12,81
Weaner Calves / Feeder Lambs/	16,27	16,72	20,61	21,07	-	-	-	-
Specific Imports: Beef trimmings 80vl/b/Mutton Shoulders/Loin b/in /chicken leg1/4	44,45	43,80	38,75	38,25	31,75	31,40	17,40	17,30

Yellow Maize Trends

- International:** The average yellow maize prices traded higher week-on-week. The average US yellow maize spot price closed the week 0,8% or US\$ 2,43/ton higher compared to the previous week. Compared to last week, grain prices were mixed with maize and grain sorghum higher and wheat and soybeans trading lower. Maize had gains as grain traders remain focused on tight maize supplies with exports a little better than expected and good buying interest. Maize had export sales of 302,600 tons for current marketing year and 210,000 tons for next year totalling 512,600 tons. Commodities found it difficult in the world market, as the impact of China's poor manufacturing data hit the markets. China's official purchasing managers' index dipped to 50,1 from 50,4 in January, weaker than expected.



- Domestic:** The local maize market didn't follow the international market and traded on average 4,0% or R26,6/ton lower during the past week, and is 10,8% lower than an year ago. The average exchange rate for the week was stronger at R 8,87/US\$ compared to R 8,88/US\$ the previous week, which was 0,11% stronger. Safex futures traded higher during the week: Mar-13 traded 0,46% (R10/t) higher, May-13 traded 3,33% (R70/t) higher, Jul-13 traded 4,42% (R91/t) higher, Sep-13 traded 4,12% (R86/t) higher and Dec-13 traded 4,26% (R91/t) higher from the previous week.

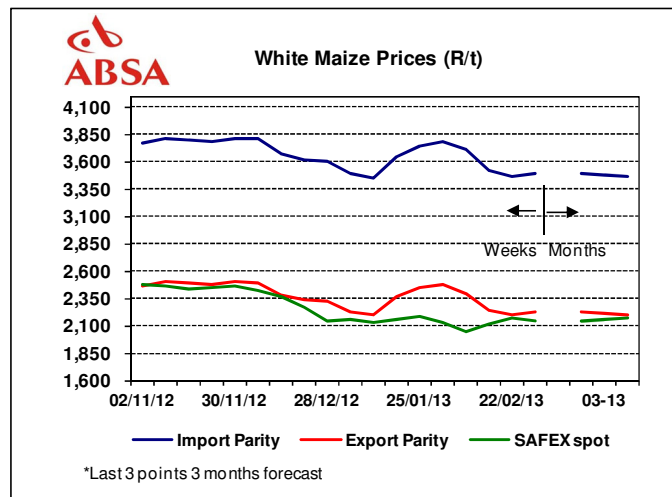
Outlook

Internationally, prices will continue to move sideways in the short term with a sideways movement in the medium term due to higher production in Latin America and the forecast for higher US maize plantings. Locally, the market is expected to trade downwards in the short term to medium term depending on the harvesting process that will start in the next 4-8 weeks.

Yellow Maize Futures 01 March 2013	Mar-13	May-13	Jul-13	Sep-13	Dec-13				
CBOT (\$/t)	279,28	267,15	227,39	217,94	222,04				
SAFEX (R/t)	2,168	2,170	2,150	2,173	2,226				
	Jul-13		Sep-13			Dec-13			
	Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
	2,180	140	110	2,220	183	136	2,260	216	182
	2,140	119	129	2,180	160	153	2,220	194	200
	2,100	99	149	2,140	139	172	2,180	173	219

White Maize Trends

- International:** The US white maize spot market traded higher by 1,3% or US\$ 3,94/ton in the past week compared to the previous week. The local import parity of white maize traded 1,0% higher compared to the previous week due to higher prices despite of a stronger exchange rate. The rand: dollar exchange rate traded stronger at R 8,87/US\$ this week compared to R 8,88/US\$ last week.
- Domestic:** The local average white maize spot price traded 1,8% (R39,40/ton) lower compared to the previous week, with white maize trading 8,2% lower than the same time a year ago. Week-on-week white maize future contracts also traded higher this week. Mar-13 traded 2,38% (R51/t) higher, May-13 traded 5,07% (R107/t) higher, Jul-13 traded 5,56% (R115/t) higher, Sept-13 traded 5,67% (R119/t) higher and Dec-13 traded 5,20% (R112/t) higher compared to last week.



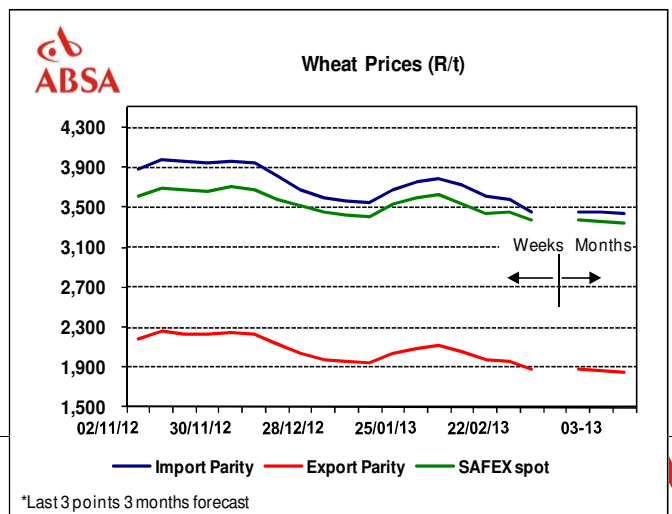
Outlook

Internationally, the white maize price will move sideways in the short term following the world yellow maize prices with a sideways movement in the medium term due to reasonable world stocks. Locally, prices will move downwards in the short term with a possible sideways movement the medium term depending on the yield during harvesting.

White Maize Futures 01 March 2013			Mar-13	May-13	Jul-13	Sep-13	Dec-13		
SAFEX (R/t)			2,192	2,217	2,184	2,219	2,265		
Jul-13			Sep-13			Dec-13			
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call	
2,220	153	117	2,260	207	166	2,300	251	216	
2,180	131	135	2,220	185	184	2,260	229	234	
2,140	111	155	2,180	164	203	2,220	208	253	

Wheat Market Trends

- International:** The average weekly wheat spot price traded 4,0% or \$12,36/ton lower compared the previous week. Soft red wheat traded 4,4% (\$13,08/t) lower, while hard red wheat traded 3,7% or \$11,63/ton lower. Import parity traded 3,3% lower due lower prices and a stronger exchange rate. Wheat remains pressured by a higher U.S. dollar index and slow buying interest. Wheat had export sales totalling 524,900 tons with 372,600 tons for current marketing year. At this stage



wheat prices kept improving, proving one crop in which China looks increasingly interested in importing. The outlook is not so favourable for production in the drought-hit US winter wheat area, the precipitation outlook has trended drier across the south eastern Plains, northern Delta, and Midwest. Drier weather across the Plains and western Midwest will allow moisture to decline once more, influencing the harvest negatively.

- **Domestic:** The average SAFEX wheat spot price traded 2,2% or R76,60/ton lower this week compared to the previous week. These prices were lower due to lower international prices and a stronger exchange rate. Safex future prices traded higher during the past week compared to last except for Sep-13: Mar-13 traded 0,59% (R20/t) higher, May-13 traded 0,75% (R26/t) higher, Jul-13 traded 0,55% (R19/t) higher, Sep-13 traded 0,73% (R25/t) lower and Dec-13 traded 0,37% (R12/t) higher.

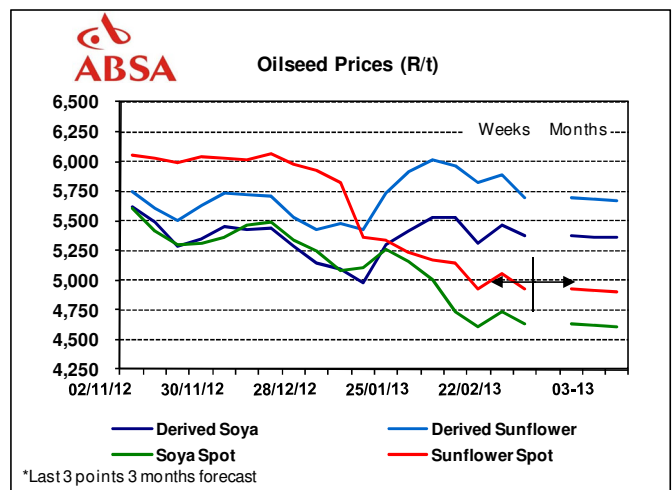
Outlook

Internationally, the market prices will move sideways in the short term with a possible upward movement in the medium term depending on the US harvest and ongoing demand from China. Locally, the market will continue to follow the international market prices in a sideways movement in the short term with a possible upward movement into medium term due to higher international export demand.

Wheat Futures 01 March 2013		Mar-13	May-13	Jul-13	Sep-13	Dec-13		
SAFEX (R/t)		3,429	3,482	3,487	3,399	3,257		
CME (\$/t)		262,06	264,70	265,36	268,08	272,79		
Jul-13			Sep-13			Dec-13		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
3,520	196	163	3,440	239	198	3,300	274	231
3,480	174	181	3,400	217	216	3,260	252	249
3,440	154	201	3,360	196	235	3,220	231	268

Oilseed Market Trends

- **International:** US soybean prices traded week-on-week on average 0,1% or \$0,53/ton lower compared to the previous week. Soy meal traded 0,4% lower, while soy oil traded 4,3% lower compared to a week ago. Soybeans had good buying interest on Thursday of this week and positive export sales with fresh sales on Thursday after trending lower most of the week. Soybeans had export sales of 689,000 tons for current marketing year and 482,000 tons for 2013-2014 for total export sales of 1,171,000 tons. The Brazilian soybean crop was raised by 1,3m tons to 70,6m tons by analysts, while keeping Argentina's the estimate harvest at 51,0m tons. That is a more bearish figure than the USDA figure of 53,0m tons, with many other observers, dropping their estimates below 50m tons. Soybean will have an advantage to plant more due to a slightly better incentive to plant soybeans this year because of cheaper crop insurance.



- Domestic:** The average soybean spot prices traded 2,1% or R100,40/ton lower compared to the previous week. These lower prices were due to lower international prices and a slightly stronger rand: US dollar exchange rate. The rand traded slightly stronger against the US dollar at R8,87/US\$ compared to last week's R8,88/US dollar. The soybean futures prices traded higher during the past week except for Mar-13: Mar-13 traded 1,79% (R85/t) lower, May-13 traded 0,11% (R5/t) higher, Jul-13 traded 0,04% (R2/t) higher and Sep-13 traded 5,27% (R240/t) compared to the previous week. The average sunflower spot prices for the week traded 2,5% or R125,80/t lower than the previous week. This is still 13,0% higher than the same time a year ago. The sunflower futures prices closed mixed compared to the previous week: Mar-13 traded lower by 2,26% (R115/t), May-13 traded 1,74% (R90/t) lower, Jul-12 traded 1,81% (R95/t) lower, Sep-13 traded 4,12% (R205/t) higher and Dec-13 traded 0,73% (R38/t) higher compared to the previous week. Sorghum futures for Mar-13 traded the same compared to last week at R2,850/t and Sept-13 traded at R2755/t.

Outlook

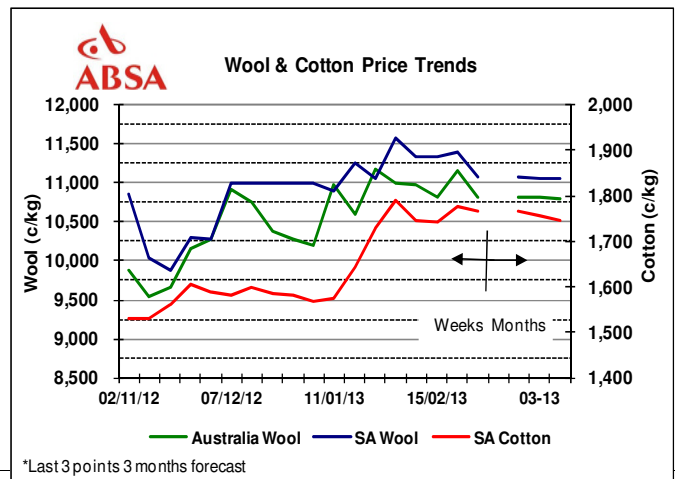
Internationally, soybean markets will continue to move downwards in the short term with a sideways movement in the medium term depending on Brazil's exports and the number of acreage planted by the US. Locally, the soybean prices will follow international prices and move downwards in the short term with a sideways movement in the medium term depending on the local and international demand.

Oilseeds Futures 01 March 2013		Mar-13	May-13	Jul-13	Sep-13	Dec-13
CBOT Soybeans (US \$/t)		538,07	530,36	530,36	483,91	463,41
CBOT Soy oil (US c/b)		49,47	49,67	49,94	49,94	49,80
CBOT Soy cake meal (US \$/t)		427,30	429,30	423,90	407,20	379,70
SAFEX Soybean seed (R/t)		4,670	4,700	4,760	4,790	0
SAFEX Sunflower seed (R/t)		4,975	5,080	5,155	5,180	5,220
Safex Sorghum (R/t)		2,850			2,755	

Sunflower Calculated Option Prices (R/t) Absa Capital Trading Desk: 011 – 895 5524								
Jul-13			Sep-13			Dec-13		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
5,200	322	277	5,220	423	383	5,260	574	534
5,160	300	295	5,180	401	401	5,220	552	552
5,120	279	314	5,140	380	420	5,180	530	570

Fibres Market Trends

- International:** The Australian market traded lower than the previous sale in 2013. The Australian wool market closed the week 27 Feb 2013 on Au 1109c/kg. This was higher than the previous closing price of Au 1119c/kg. Fine and superfine wool prices have performed best so far this season, although the longer term trends are more negative for this wool. 18 micron wool prices have only recently returned to levels similar to the start of 2008 and well below the peak reached in 2011. In contrast, medium merino and broader wool prices are well



above the 2008 levels. As a result, the premium for superfine wool over medium merino wool remains at a very low 12%, compared with the long term average of 33%. The cotton price increased 0,08% from last week to close on US 77,37 c/kg. The total cotton sales for the week were 18,900 bales compared to 37,561 bales last week and 33,151 bales reported a year ago. Total spot transactions for the season were 1,491,740 bales, compared to 703,603 bales the corresponding week a year ago.

- **Domestic:** The last auction for 2013 took place on the 27th Feb 2013. The local market did follow the Australian market and the market indicator closed 2,75% lower this week at R 110,70/kg. Prices decreased at this week's sale in an apparent downward correction following the sharp increases of the past number of months. This is still up almost 27% on the opening level and 9% higher than at the same sale last season. It was a fairly small sale with 7,510 bales on offer of which 99% was sold. The rand traded weaker at R 8,81 against the US dollar. The next sale is scheduled for the 5th March 2013 with approximately 9,500 bales on sale.

Outlook

International wool prices will move slightly sideways in the short term with a possible upward movement in the medium term due to higher demand. Cotton prices will follow wool and move sideways in the short term with slight upward movements in the medium term until new seasons supplies come on the market. Locally, prices of wool will follow world prices and move sideways in the short term with an upwards movement into medium term due to better market conditions. Cotton prices will follow the wool prices with a sideways movement in the short term and an upward movement in medium term.

Fibres Market Trends Week ending 01 March 2013				
Wool prices	SA prices (R/kg)	Australian prices (c/kg)	Australian Future May - 2013 (AU\$/kg)	Australian Future Sep - 2013 (AU\$/kg)
Wool market indicator	11,070	9,970	-	-
19µ micron	11,422	11,639	12,80	12,25
21µ micron	11,186	10,893	11,90	11,35
23µ micron	-	10,752	10,50	9,95
Cotton prices	SA derived Cotton (R/kg)	New York A-Index (US\$/kg)	New York future Mar-2013 (US\$/kg)	New York future May-2013 (US\$/kg)
Cotton Prices	17,66	2,00	1,84	1,88

Vegetables Market Trends

- **Cabbages:** Cabbage prices increased this week by 6,8% w/w and traded 17,0% lower y/y for the same week last year under review but 33,8% higher than two years ago. The prices increased was due to a decrease of 16,2% in volumes on a w/w basis. Prices are expected to upwards in a short and medium term due to lower supplies.
- **Carrots:** Carrot prices increased by 11,5% w/w but traded 14,0% higher y/y and traded 3,6% lower than two years ago. The price increased was due to a 3,5% decrease in the volumes of

