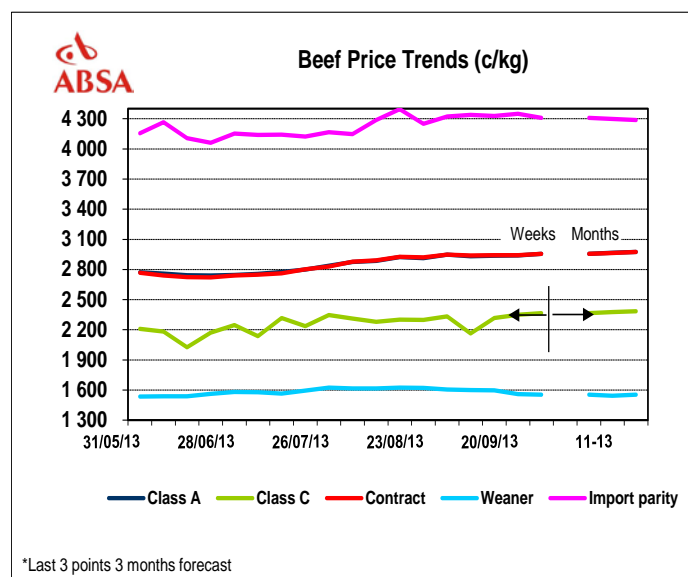


How can the US government shut down?

We have always thought that if there was a country that won't let us down, that would be the US. Now that the two houses of parliament can't agree on a budget and a new debt ceiling for the country, none essential workers have been sent home on unpaid leave. During a government shutdown, disability benefits still be paid, however, with regards to an economic shutdown, the benefits do not get paid. After a week or so the impact became visible. Some of the effects are: Market news reports, outlook reports and other agricultural economic and statistical reports and projections would be discontinued. Most research facilities would be closed except for the care of animals, plants and associated infrastructure to preserve agricultural research. The provision of new grants or processing of payments for existing grants to support research, education, and extension was also affected. Other impacts includes the agency that is overseeing the release of poultry vaccines which means this will result in no serials (batches) of vaccines to be released for distribution. These non-essential workers who were sent home actually do have an influence on us (the people who collect and work with data). New data releases won't be available until the workers return to work and/or maybe a few days after they have started working again. While the US economy forecasts is the driver of a lot of factors in the world market, investors are starting to become uneasy. This shows how reliant the world is on good data.

Beef Market Trends

- International:** The US market prices traded higher during the week compared to the previous week. In the US, beef traded as follows: Top side traded 0,19% higher at \$215,14/cwt, Rump traded 0,31% higher at \$307,15/cwt and Strip loin traded 0,12% higher at \$499,99/cwt. Chuck traded 0,50% higher at \$222,98/cwt, Brisket traded 0343% higher at \$195,45/cwt which gave us on average an increase of 0,34% in the carcass price to \$270,55/cwt. The New Zealand Steer traded higher at Nz 427c/kg and and Cow prices traded lower Nz 317c/kg respectively due to lower demand, this was a 0,94% decrease in both cases. A new Japanese iPhone gadget enables users to smell meat, according to the gaming site called Kotaku. The gadget sprays one of three scents: short ribs, beef tongue or buttered potato. The idea behind the app is this: Eating meat at a restaurant is expensive, so a person can use the app and smell the meat spray while they eat something cheaper, like white rice or lettuce. The report, titled "The Economic Contribution of the Agri Industry" must not be taken lightly. America, the world's leading exporter of agricultural



products, has exported products to the value of \$141,3 billion in 2012 with a \$38,5 billion trade surplus for the year. While agriculture has accounted for less than 5% of the US GDP from 2007 through 2011, agricultural products accounted for 10% of total exports. Exports, population and income growth are all critical to the success of US agriculture. Commercial red meat production for the US totalled 4,20 billion pounds in August, a decrease of 4% from the 4,39 billion pounds from a year before. Beef production decreased by 5% compared to the previous year at 2,24 billion pounds. Cattle slaughtering's decreased by 6% to 2,82 million. Veal production was 11% below August a year ago and calf slaughtering's decreased by 11%. US domestic production is now well below last year and five year average levels as the easing of drought conditions finally allows cow-calf producers to start retaining cows and rebuilding their herds. In Australia beef processing plants around the country are slowly starting to get into gear for the new season but throughput remains relatively. So far imported beef prices have remained firm, but if demand is in fact weaker, that may change when volumes out of NZ start to increase.

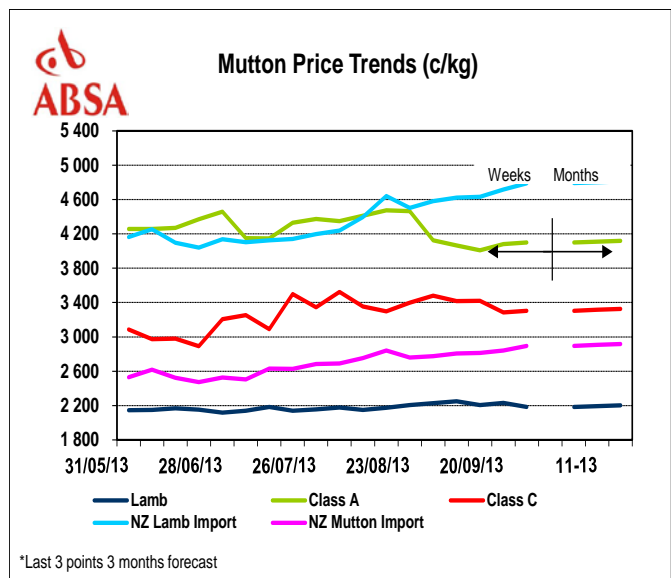
- Domestic:** Local beef prices traded higher during the past week compared to the previous week. The prices of the different meat classes were as follows: Class A prices increased by 0,51% to R29,55/kg, Class C prices increased by 0,64% to R21,65/kg and Contract prices increased by 0,41% closing at R29,55/kg. The weaner prices traded 0,38% lower compared to last week at R15,53/kg, there is more than enough animals in the market available. Hide prices traded lower at R15,08/kg. The landed imported price of beef trimmings from Namibia and Botswana traded the same at R42,75/kg.

Outlook

Internationally, beef prices are expected to move sideways in the short term with an upward movement in the medium term due to higher demand in December and herd rebuilding. Domestic prices are expected to move upwards in the short term with an upward movement in the medium term due to higher demand towards the December school holidays.

Mutton Market Trends

- International:** The New Zealand lamb traded higher but mutton prices traded higher this week compared to last week, lamb closed the week higher at NZ\$5,71/kg for 15kg and other lamb weights were also higher. New Zealand ewes closed 2,36% higher at NZ\$3,10/kg for the week. Import parity prices for lamb increased by 1,55% and mutton increased by 1,97% due to a slightly weaker exchange rate and higher prices. Lamb and mutton production decreased by 3% to 13,8 million pounds, from August 2012. The number of sheep slaughtered was 208,100 which were 4% higher than last year. January to August 2013 commercial red meat production was 32,5 billion pounds, a decrease from 2012. In Sudan, The Ministry of Animal, Fishery, and pasture resources revealed that livestock exports this year were augmented by 2,6 million heads. Head of Quarantine and Livestock Health, Jabir Suleiman said Sudan had an export target of 4.3 million of which 99% has been accomplished. The total of livestock exports to Saudi Arabia today, has reached 2 032 750 heads. He pointed out that most of the Adha livestock exports this year were headed for Gulf countries, which has increased export levels. Sudan supplies Gulf countries with thousand tons of red meat, which has led to Sudanese red meat exports dominating foreign markets. The increase in frozen lamb prices has continued



across virtually all cuts. There have also been reports of very good prices being achieved for the Christmas chilled trade, for which processing will now be starting. In the UK, Kantar World Panel data show that consumer spending on lamb was lower than last year during the peak of summer. In the four weeks overall expenditure on lamb declined by 5%, which has largely been attributed to the hot weather. Understandably, roasting joint sales struggled in the heat, with leg sales volumes down 5% and shoulders 21% compared to a year ago. In contrast, purchasing of steak and chops was 4% higher, which is a common trend during warm periods.

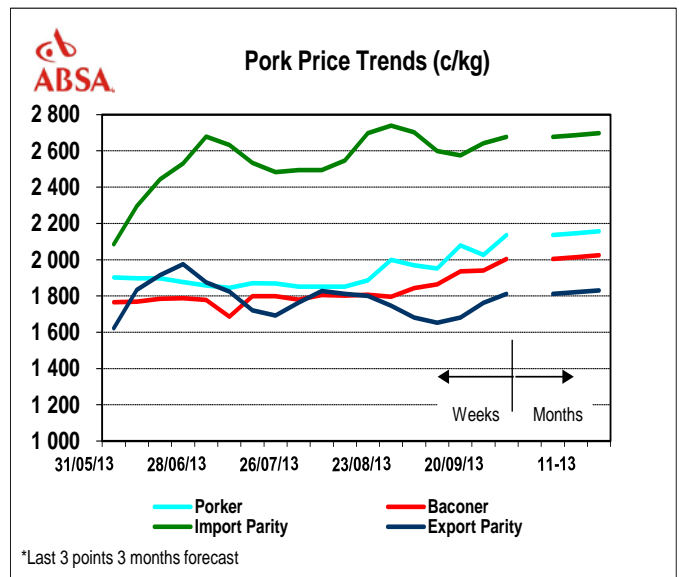
- Domestic:** The mutton price traded higher during the week compared to the previous week. The Class A2 prices closed the week higher on R 41,00/kg which was 0,47% higher than the previous week. Class C2 prices closed on R 33,05/kg or 0,58% higher and contract prices closed higher on R 39, 55/kg or 0,28% higher during the past week. The price for feeder lambs traded lower at R 21,82/kg or 2,20% lower. The average price for a dorper skin traded the same at R 74,29 per skin compared to the previous week and the price of a merino skin traded the same at R 96,67 per skin. The landed imported price of mutton rib from Australia and New Zealand traded the same at R 29,65/kg compared to the previous week and mutton shoulder's traded the same at R 39,05/kg according to (Association of Meat Importers and Exporters) AMIE.

Outlook

Internationally, prices should continue to move upwards in the short term with an upward movement in the medium term due to higher demand in the new season and herd rebuilding. Locally, the prices will move upwards in the short term despite higher slaughterings with an upward movement in the medium term due to higher demand towards the December season.

Pork Market Trends

- International:** US pork prices traded higher during the week compared to last week's prices despite a 1,91% increase in loads sold on Friday. Carcass prices traded 1,33% higher at US\$102,54/cwt, Loin traded 1,06% higher at US\$105,21/cwt, Rib prices traded 0,30% higher at US\$1391,0/cwt and Ham traded 0,24% higher at US\$87,15/cwt. The import parity increased by 1,31% due to higher prices and a weaker exchange rate. Pork production decreased by 3% to 1,94 billion pounds, compared to a year ago, while hog slaughter totalled 9,56 million heads, a decrease of 4%. Missouri farmers are the reason to celebrate. That was the message shared as many in Missouri agriculture gathered for an early kick off to Pork month this morning at the Missouri Department of Agriculture in Jefferson City. Agriculture is our state's number one industry because of the hard work and dedication of Missouri's farmers and farm families," said Don Nikodim, executive vice president of the Missouri Pork Association. "From implementing best practices and embracing new technology on the farm to serving as community and industry leaders, our producers are making a difference in Missouri and throughout the world."



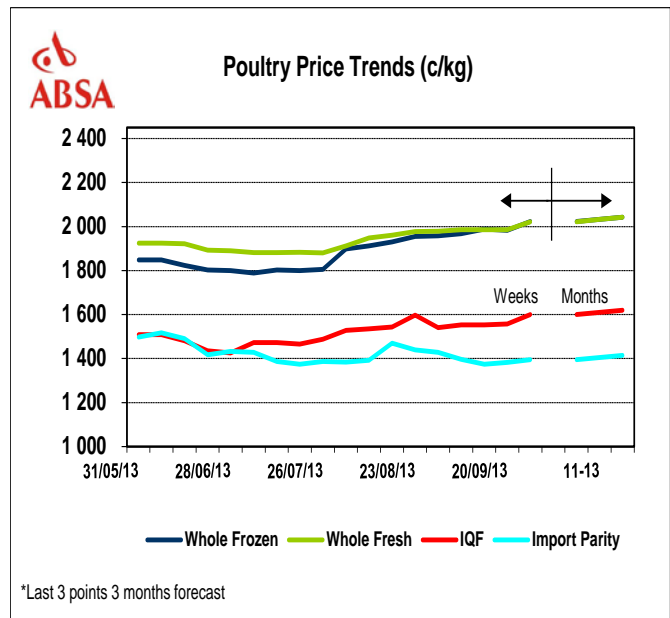
- **Domestic:** Local pork prices traded higher during the past week compared to the previous week. The price of Porkers traded higher at R 21,36/kg (5,43%), the price of Baconers traded higher at R 20,04/kg (3,25%) and Contract traded higher at R 20,70/kg (4,36%) due a 6,53% decrease in supplies. According to AMIE, the landed price of imported loin from Canada and the US traded the same at R 37,20/kg week-on-week.

Outlook

Internationally, prices are expected to move upwards in the short term with a possible sideways movement into medium term due to higher demand towards the holidays. Local prices are expected to move upwards in the short term with an upward movement into the medium term due to higher demand during the festive period.

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 2,39% higher and closed at 93,3 US c/lbs despite of an increase in supplies. Breasts traded lower at 131,0c/lbs or 1,55% higher and leg Quarters traded the same at 48,0c/lbs. The estimated number of broilers available for slaughter the week ending 05-Oct-13 was 156,9 million broilers compared to 155,7 million broilers slaughtered the same week last year. The estimated US slaughter this week is 157,3 million broilers or 1,4 million more than estimated available. For the week of 12-Oct-13 the estimated available is 157,1 million broilers. Whole broiler prices were steady to lower. Offerings were heavy; mostly moderate for



current trade needs. Retail and food service demand was light to moderate. Floor stocks were adequate. Market activity was slow to moderate. In the parts structure, movement increased slightly entering the weekend. Prices were weak to lower for breast items and steady to weak for dark meat items. Offering of boneless skinless breast and drums were available with light movement. Tenders were light to moderate and clearing well. Wings increased in availability. Market activity for parts was slow to moderate. In production areas, live supplies were moderate at desirable weights. Products whose demand is related are complementary goods for example automobiles and fuel. An example that influence the life's of in many Indians now is onion and chicken. Chicken curry minus onions is almost an oxymoron in India. Since onion prices increased, not only have demand for onions come down, but also for chicken. Poultry demand has fallen sharply by almost 15% in the last three months. In Tanzania, the Iramba District Commissioner Yahya Nawanda has said that the district will launch its poultry abattoir early next year in a strategy to enable chicken farmers to produce better. According to IPPMedia.com, the construction of the first ever poultry abattoir in the country is aimed at transforming the indigenous poultry sector from a conventional subsistence one into a commercial business sector by producing tasty breeds of traditional chickens. Nawanda said in closing that the new poultry abattoir will benefit 45,000 families. Rising UK poultry meat production is a trend set to continue, the British Poultry Council (BPC) has told Meat magazine. Broiler slaughterings increased by 3,1% the previous year to 71m birds, which was mainly due

to an increase in demand for poultry from the consumer. However, a second and broader reason was because of the massive push for British meat and also in the wake of the horsemeat story. Must South African consumers not also demand local production? Brazilian chicken exports reached 302,700 tons in September, a 1% decrease compared to the same month last year, according to the Brazilian Poultry Union (Ubabef). A total of 2,865 million tons of chicken meat was shipped in the first nine months, 2% lower than 2012. However, revenues increased by 6,7% to US\$ 5,993 billion.

- **Domestic:** Poultry prices traded higher during this week compared to the previous week. Frozen birds traded higher at R20,23/kg or 2,02% higher compared to the previous week. Whole fresh medium bird prices traded higher at R20,22/kg or 1,86% higher and IQF higher at R 16,00/kg or 2,67% higher for the week compared to the previous week. Import parity prices traded 0,91% higher at R13,95/kg due to a weaker exchange rate despite of lower prices for leg quarters. The landed price of Brazilian imported chicken leg quarters traded the same at R 19,35/kg, with grillers traded higher at R24,95/kg week-on-week according to AMIE. The new import tariffs will soon be seen the new prices.

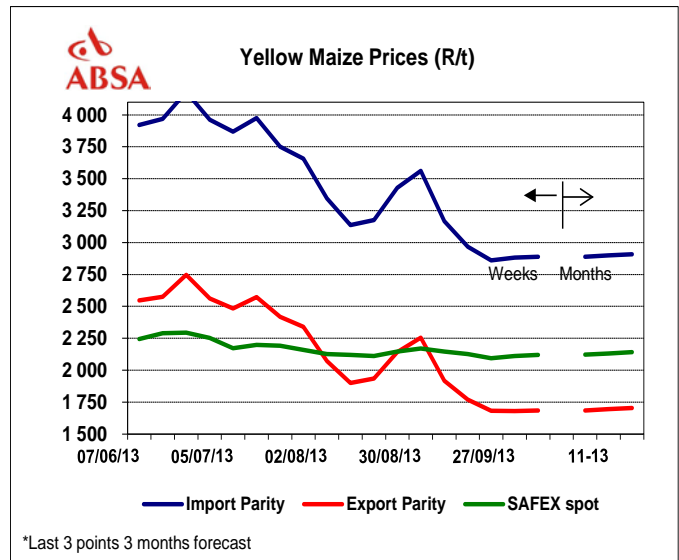
Outlook

Internationally, prices will continue to trade lower in the short term with a possible sideways movement in the medium term due to lower demand. Domestic prices will move upwards in the short term with an upward movement in the medium term due higher demand towards December.

Livestock Prices (R/kg) 04 Oct 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	29,55	29,40	41,00	40,81	21,36	20,26	20,22	19,85
Class C/ Baconer / Frozen birds	23,65	23,50	33,05	32,86	20,04	19,41	20,23	19,83
Contract / Baconer/ IQF	29,55	29,43	39,55	39,45	20,70	19,54	16,00	15,57
Import parity price	43,08	43,49	28,96	28,02	26,76	26,42	13,95	13,83
Weaner Calves /	15,53	15,59	21,82	22,31	-	-	-	-
Feeder Lambs/								
Specific Imports: Beef trimmings 80v/b/Mutton Shoulders/Loin b/in /chicken leg1/4	42,75	42,75	39,05	39,05	38,95	37,20	19,35	19,35

Yellow Maize Trends

- International:** The average US yellow maize spot price closed the week 0,9% or \$1,86/t lower. The Friday price was at US\$ 200,19/t compared to US\$ 202,05/t the previous week. Compared to the previous week, maize futures traded mixed. Rains in the US were expected to delay the harvest of a large maize crop. Weather forecasts revealed that about 80 mm of rain would be expected across the Midwest in the next days, potentially threatening yields and reducing the quality of the maize and soybean harvest. The big harvests earlier last week, however, had put some pressure on maize prices to a three-year low and on soybeans to a 19-month low. Most recently, maize has been harvested abnormally before soybeans because of the hold up in soybean maturity from the late planting. Higher than expected maize yields has been reported so far on the outer Maize Belt areas where producers have started to harvest. In China, it was recently announced that the Chinese owned Xinjiang Production and Construction Corp (XPCC) had agreed with the Ukrainian owned KSG Agro to purchase 7,5 million acres of Ukrainian farmland over the next 50 years at a price of \$2,3 billion. This farmland would be used to increase harvests and pigs to sell at special prices to the Chinese government owned companies.



- Domestic:** The local maize market for yellow maize traded 0,4% higher or R9,35/t higher during the past week, but 13,9% lower than a year ago. The average exchange rate for the week was weaker at R10,06/US\$ compared to R9,95/US\$ last week. Safex futures traded lower during the week compared to the previous week with Dec-13 contracts trading 1,51% or R33/t lower at R2,156/t and Mar-14 contracts traded 1,37% or R30/t lower at R2,158/t and May-14 contracts traded 3,42% or R72/t lower at R2,036/t and Jul-14 contracts trading 2,19% or R45/t lower at R2,007/t compared to last week. Maize futures increase because of the concern that late rain will delay the start of the season. There are weather uncertainties. For the western areas of the country, not very pleasant weather can be expected. For the farmers who mainly relied on rain to grow their crops we could see a bit of a drop in yields in future. Maize yields for both small-scale and commercial farmers are expected to decrease substantially within the next century if farmers continue to rely on rain-fed production which will have major consequences on food and food security in the country that rely on staple food for survival.

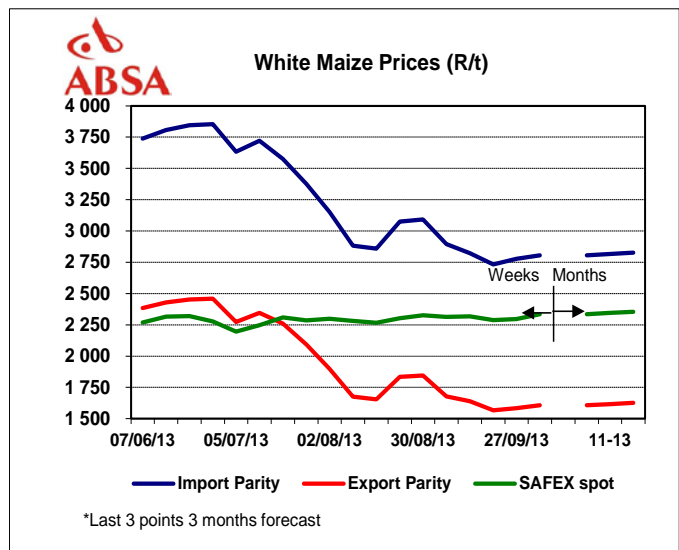
Outlook

International prices are expected to move upwards in the short term because of the rains that are threatening yields, but are expected to move downwards in the medium to long term because of the good maize yield predicted for the US and the Black Sea area. Domestic prices are expected to follow international trends and move downwards in the medium term to long term.

Yellow Maize Futures 04 Oct 2013	Dec-13	Mar-14	May14	Jul-14	Sep-14			
CBOT (\$/t)	174,48	179,52	182,82	185,66	174,48			
SAFEX (R/t)	2 156	2 158	2 036	2 007				
Mar-14			May-14			Jul-14		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2,200	169	127	2,080	186	142	2,040	189	156
2,160	146	144	2,040	164	160	2,000	166	173
2,120	126	164	2,000	143	179	1,960	146	193

White Maize Trends

- International:** The US white maize spot market traded 0,2% or US\$0,39/t lower at an average of US\$ 191,72/t over the past week. Import parity prices traded 1,0 higher compared to the previous week due to higher international prices but mostly supported by the weaker exchange rate.
- Domestic:** The local average white maize spot price traded 1,7% or 38,95/t higher at R2,335/t compared to the previous week average at R2,296/t, which is 4,1% lower than the same time a year ago. Week-on-week white maize future contracts traded lower. Dec-13 contracts traded 0,17% or R4/t lower at R2,369/t, Mar-14 traded 0,46% or R11/t lower at R2,361/t, May-14 traded 0,68% or R15/t lower at R2,195/t and Jul-14 traded 1,59% or R34/t lower at R2,103/t compared to last week.



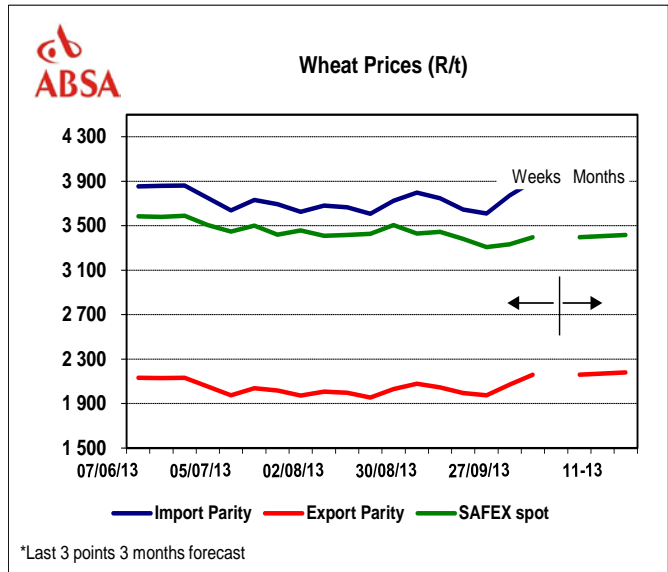
Outlook

Internationally, the white maize price will move upwards in the short term with a downward movement in the medium term as white maize prices are expected to follow the trend of yellow maize prices. Locally prices are expected to move upwards in the short term and a downward movement in the medium term following international prices.

White Maize Futures 04 Oct 2013	Dec-13	Mar-14	May14	Jul-14	Sep-14			
SAFEX (R/t)	2 369	2 361	2 195	2 103	2 369			
Mar-14			May-14			Jul-14		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2,400	190	151	2,240	227	182	2,140	227	190
2,360	167	168	2,200	204	199	2,100	204	207
2,320	147	188	2,160	183	218	2,060	183	226

Wheat Market Trends

International: The average weekly wheat spot price traded 3,03% higher compared to the previous week which is US\$8,77/t higher at an average of US\$298,2/t. Soft red wheat traded 2,82% or \$7,57/t higher, while hard red wheat traded 3,21% or \$9,97/t higher. Import parity traded 3,4% higher due to the higher average international prices and was supported by the weaker exchange rate. Very tight wheat supplies have resulted in wheat's premium rising to the highest level since September 2010. Argentina, which normally supplies Brazil with most grain, has experienced problems as dry weather threatens the crop after a freeze in the country last month had hurt its forecasts. Argentina has now stopped exporting wheat in order to build its domestic supplies. This situation now forces Brazil to increase wheat purchases from the US as well as Canada. Brazil's wheat crop was damaged by frost and hence the need for purchases. China, the top wheat growing country has also increased its imports of US wheat to support the domestic shortfall. Wheat prices in the US had increased to their highest sometime last week due to signs of improved demand. Deliveries of the US wheat from the start of June through September 19th had totaled 12,1 million tons, which is an increase of 40% from the same period last year. Wheat prices increased as investors bet that prices would fall, during the increased demand for supplies from the US, the world's biggest exporter of the grain. Dropping wheat stocks of leading producers are making the price of grain vulnerable to adverse weather and sharp increases in demand. The FAO had cut its forecasts the previous week of the stocks to usage ratio for the eight leading wheat exporters for the 2013-14 crop year to 12,6% from the June forecast of 15,5%. Wheat inventories for all the largest exporters are forecast to fall, with the exception of the EU. Those countries includes Australia, Argentina, Canada, US, Kazakhstan, Ukraine and Russia.



- Domestic:** The average SAFEX wheat spot price traded 1,9% or R63,45/t higher at R3,397/t this week compared to the previous week. These prices were higher due to the weaker exchange rate due to the higher world prices. Safex future prices traded higher during the past week compared to the previous week: Dec-13 contracts traded higher by 0,56% (R19/t) at R3,437/t, with Mar-14 contracts traded 0,46% (R16/t) higher at R3,506/t while the Jul-14 contracts traded 2,33% (R82%) higher at R3599/t compared to the previous week.

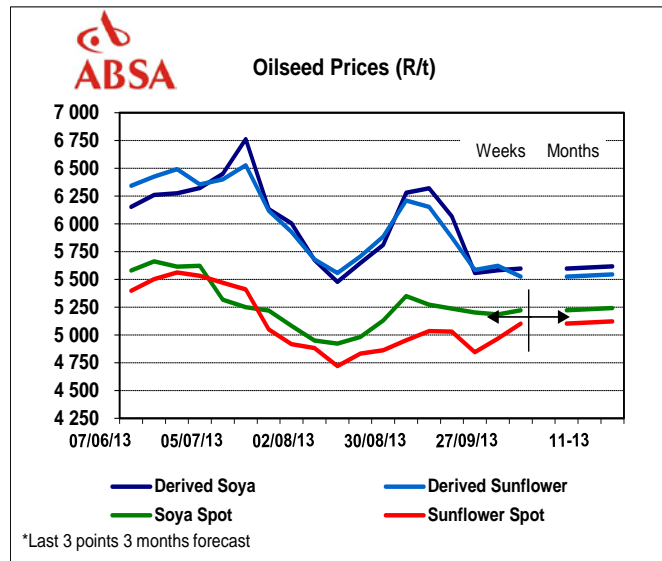
Outlook

Internationally, the market prices are expected to move upwards in the short term and move sideways into the medium term due good export demand in the US and tight supplies in the wheat leading exporting countries. Domestic prices are expected to move upwards in the short term with a sideways movement in the medium term supported by higher international prices and low stocks.

Wheat Futures 04 Oct 2013			Dec-13	Mar-14	May-14	Jul-14	Sep-14		
SAFEX (R/t)			3 437	3506		3599			
CME (\$/t)			252,43	255,81	257,79	254,85			
Dec-13			Mar-14			Jul-14			
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call	
3,480	154	111	3,540	227	193	3,640	287	246	
3,440	133	130	3,500	206	212	3,600	265	264	
3,400	113	150	3,460	185	231	3,560	244	283	

Oilseed Market Trends

- International:** US soybean prices week on week traded 2,1% or \$10,89/t lower compared to the previous week. Soya meal traded 0,7% or \$3,00/t higher, while soy oil traded 4,3% or \$1,79/t lower compared to a week ago. Rains in the US were expected to stall harvest of the fourth largest soybean crop on record. There are concerns that rain and cold weather will damage the legume during the next several weeks. This will then lead to a potential risk to the upside for soybean prices. Extreme weather in the Midwest of the US is likely to harm harvests as crops are left in helpless positions in strong growing regions of the nation. Soybeans have however fallen on Chicago extending a weekly loss, based on the assumption that world supplies will be sufficient as the US harvest is speeding up. US output is expected to be at 3,15 billion bushels, which is 4,4% more than last year's value, according to the USDA estimates. Stockpiles that were left over from last year's crop were 141 million bushels. There can also be expected more supplies than thought, and yields are coming in better than expected, so soybeans have reduced their premium over maize.



- Domestic:** The average soybean spot prices traded 0,8% or R39,00/t higher compared to the previous week. These higher prices were despite the lower international prices. The rand traded weaker against the US dollar at R10,06/US\$ compared to last week's R9,95/US dollar. The soybean futures prices traded mixed during the past week: Mar-14 traded 1,05% (R55/t) higher at R 5,305/t and May-14 traded 1,88% (R95/t) lower at R 4,965/t and Jul-14 traded 2,23% or (R115/t) lower at R5,040/t. The average sunflower spot prices for the week traded 2,7% or R135,20/t higher at R5,104/t compared to the previous week. This is still 15,5% lower than the same time a year ago. The sunflower futures prices closed mixed compared to the previous week: Dec-13 traded 1,25% (R65/t) higher at R 5,250/t, Mar-14 traded 0,77% (R 40/t) higher at R5,230/t and May-14 traded the same at 1,40% (R66/t) lower at R 4,634/t compared to the previous week. Sorghum futures for Dec-13 traded higher at R3,350/t while Mar-14 futures also traded higher at R3,150/t.

Outlook

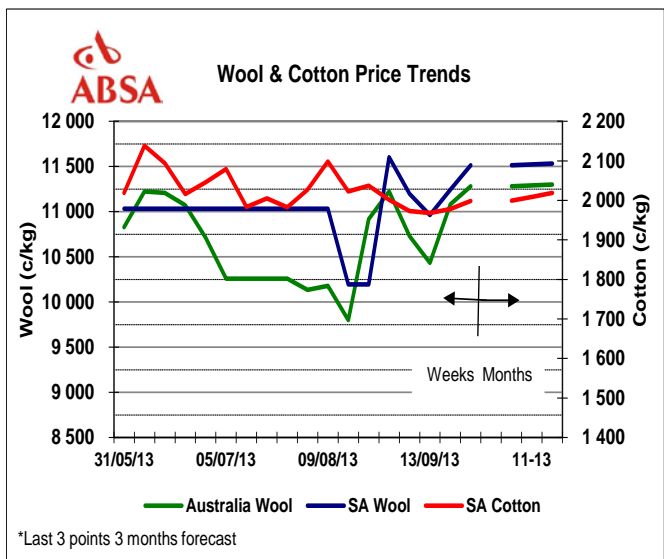
Internationally, prices are expected to move upwards in the short term due to harsh weather conditions expected in the coming weeks with a possible sideways to downwards movement in the medium term

due to the fact that world supplies are still expected to be sufficient. Locally, the soybean prices will follow the international prices and trade upwards in the short term with a possible sideways movement in the medium term.

Oilseeds Futures 04 Oct 2013	Dec-13	Mar-14	May-14	Jul-14	Sep-14			
CBOT Soybeans (US \$/t)	475,83	470,03	462,09	460,47	442,47			
CBOT Soy oil (US c/b)	40,24	39,99	41,22	41,49	41,72			
CBOT Soy cake meal (US \$/t)	418,40	405,50	394,50	391,20	376,00			
SAFEX Soybean seed (R/t)	-	5 305	4 965	5 040				
SAFEX Sunflower seed (R/t)	5 250	5 230	4 634					
Safex Sorghum (R/t)	3 350	3 200						
Sunflower Calculated Option Prices (R/t) Absa Capital Trading Desk: 011 – 895 5524								
Dec-13			Mar-14			Jul-14		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
5,280	242	212	5,260	395	365	4,680	494	448
5,240	221	231	5,220	374	384	4,640	472	466
5,200	201	251	5,180	353	403	4,600	450	484

Fibres Market Trends

- International:** The Australian wool market traded higher the past week compared to the previous week. The Australian wool market closed the week higher on Au 10,99c/kg or 0,18% higher. 21 micron wool has encouragingly held up above the 1200c level this week. The 1200c level was a key support for the 21 micron indicator back in December 2012 through to March 2013. 16,5 micron wools have decreased to a level, which is also long term support at 1400c. Medium micron wool is performing well, which is supportive of this level. The last time the 16,5 micron wools traded below this level for any period of time was back in 2009 - 2010 when the whole of the market was struggling. The US cotton price decreased from US c/lb 81,38 to US c/lb 81,17 or a 0,26% decrease week on week. The total cotton sales for the week were an estimated 7,881 bales compared to 6,781 bales last week. Total spot transactions for the new season were 51,305 bales, compared to 93,347 bales the corresponding week a year ago.



- Domestic:** The last auction for 2013 took place on the 3rd Oct 2013. The local market closed higher, with the market indicator increased by 2,41% on the previous sale to R 115,12/kg. The upward trend in wool prices continued at this week's sale and was a 12,9% increase on the opening sale of the season. The increase was supported by a weaker rand and the fact that China and Europe has shown some resistance towards the higher price. The Chinese economy is showing signs of recovery. China is also celebrating their National Day from 1 to 7 October. The rand traded 2,4% weaker at R10,10 against the US dollar and 2,7% weaker against the euro at R13,67. Prices were up across the board with the finer wools posting the biggest increases. The next

an auction is scheduled for 9 October 2013 where approximately 10,500 bales will be offered. The SA derived cotton increased by 1,04% from R19,78/kg to R19,98/kg week on week.

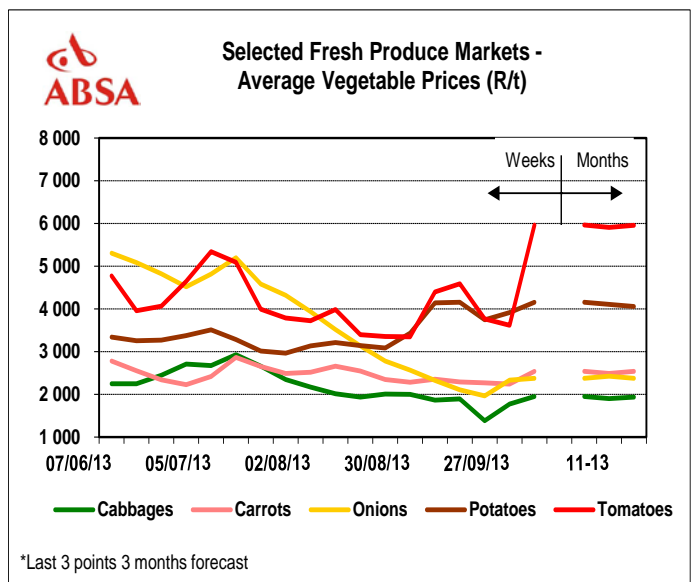
Outlook

International wool prices will move upwards in the short term with a sideways movement in the medium term due to higher demand from China. Cotton prices will move upwards in the short term with a possible sideways movement in the medium term due to lower supplies this season. Locally, the wool prices will follow the international prices and move upwards in the short term with a sideways movement in the medium term supported by a weaker exchange rate. Local cotton prices will follow the international cotton prices in upward movement in the short term and a sideways movement in the medium term due to higher demand.

Fibres Market Trends				
Week ending 04 Oct 2013				
Wool prices	SA prices (R/kg)	Australian prices (SA R/kg)	Australian Future Dec - 2013 (AU\$/kg)	Australian Future Mar - 2014 (AU\$/kg)
Wool market indicator	11 512	10 375	-	-
19µ micron	11 964	11 737	12,30	11,90
21µ micron	11 464	11 347	12,00	11,60
23µ micron	0	11 205	10,80	10,40
Cotton prices	SA derived Cotton (R/kg)	New York A-Index (US\$/kg)	New York future Oct-2013 (US\$/kg)	New York future Dec-2013 (US\$/kg)
Cotton Prices	19,78	1,86	1,88	1,88

Vegetables Market Trends

- Cabbage:** Cabbage prices increased this week by 9,9% week on week to R1,952/t and traded 30,1% higher than the same week last year and 27,9% higher than two years ago. The price increase was despite a 15,0% increase in volumes. Prices are expected to increase slightly in the short term with a downward movement into the medium term due to higher supplies.
- Carrots:** Carrot prices increased by 13,2% week on week to R2,541/t and traded 23,8% lower than a year ago and 27,8% higher than two years ago. The price increase was despite a 26,8% increase in the volumes of carrots. Prices are expected to move sideways in the short term with another possible sideways movement into the medium term due to expected higher supplies in the coming months.



- **Onions:** Onion prices increased by 2,0% week on week to R 2,379/t but traded 23,0% lower year on year but 52,0% higher compared to the same week two years ago. The price increase was despite a 35,8% increase in volumes compared to the previous week. Prices are expected to move slightly upwards in the short to medium term due to higher demand in the summer especially towards Christmas.
- **Potatoes:** Potato prices increased by 6,1% week on week to R4,158/t and traded 31,7% higher year-on-year and 22,8% higher than the same week two years ago. The increase in prices was despite an increase of 22,4% in volumes compared to the previous week. Prices are expected to have a slightly upward movement in the short term with a sideways movement in the medium term going into the months of November and December.
- **Tomatoes:** Tomato prices increased by 64,9% week on week to R5,967/t but traded 36,4% lower year-on-year and 15,8% lower than two years ago. The price increase was due to a decrease in volumes of 12,7% during the past week. Prices are expected to increase slightly in the short term with a sideways movement in the medium term due lower supplies in the market.

Vegetable Prices: Fresh Produce Market (Averages on the Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban markets)				
Week ending 04 Oct 2013	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	1,952	1,777	1,397	1,215
Carrots	2,541	2,244	1,904	1,501
Onions	2,379	2,332	6,476	4,771
Potatoes	4,158	3,918	14,877	12,152
Tomatoes	5,967	3,618	3,757	4,305

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.

**Enquiries: Dawid Snyman
Specialist: Sector Intelligence
Absa Agri-Business
E-mail: dawidsn@absa.co.za**