



Agri Trends

06 April 2018

Winter wheat production almost here...what's your next move?

Western Cape livestock producers were struggling with feed for their cattle due to higher maize price costs down in the Western Cape. Transportation costs are higher for the Western Cape producers, because trucks transporting maize from inland return empty from the coast. Livestock producers are paying roughly R400-500/ton more on maize. This is becoming too expensive. Therefore there's a potential shift in plantings to feed crops, canola and barley to maximize profitability at the cost of wheat. The potential reduction in plantings is also supported by the significant lower wheat seed sales reported by the industry so far.

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Maize market trends

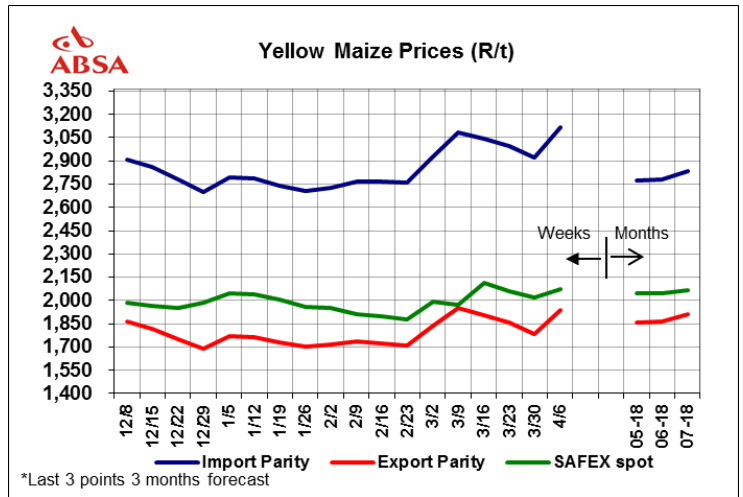
International

Week-on-week yellow maize No 2 gulf price increased from US\$167.16/ton to US\$171.51/ton, supported by bullish USDA's Prospective Planting report.

Maize prices are took a heavy blow as the grain market is dealing with the trade war between China and America.

Bullish factors

- Last week Thursday's USDA 2018/19 maize planting projections came out smaller at 35.6 million hectares down by 2% year-on-year.
- Worries about seeding delays amid cold and wet weather in the southern Midwest, and the Mississippi supported prices.
- Continued brisk US export activity underpinned maize future strengthening by a net of 4% week on week.
- In Argentina, harvesting progressed by 5% points. Average yields are reported, however future declines are expected due to the worse condition of the late planted maize crops. Some beneficial rains were expected to support the growth of the crop, but crop condition unfortunately still rated 76% poor/very poor condition.



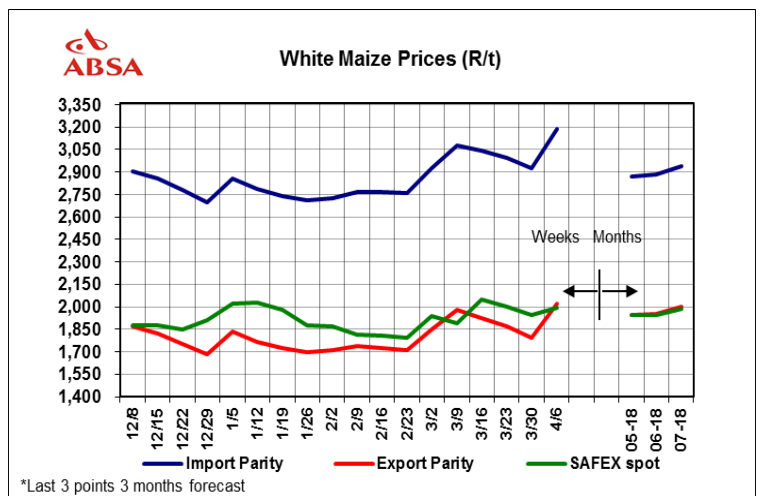
Bearish factors

- Larger than expected quarterly US stocks at a record 225.8 million ton capped any weekly gains.
- China announced its intention to impose a 25% duty on imports of US maize on 4th April 2018.
- Increased competition from soybeans at Brazil ports, reduced export potential.
- More favourable growing conditions in South Africa's summer crop growing regions, supported greater crop prospects of maize. Official crop estimate for 2017/18 was raised slightly to 12.4 million tons. Still a decline from the previous year's record of 16.8 million tons. But carry-over stocks and sluggish exports in the SA, will suppress prices in the medium term.

Domestic

On the 6th April local maize market traded higher week on week. New season white maize prices for delivery in May2018 increased marginally from R1913/ton up by 1.6% (R30/ton) to R1943/ton, Jul2018 contracts increased marginally week-on-week by 1.6% (R32/ton) from R1953/ton to R1985/ton. Week-on-week new season yellow maize prices for delivery in May2018 traded higher by 2.3% (R45/ton difference) from R2000/ton to R2045/ton. Prices for delivery in Jul2018 for yellow maize were recorded at R2069/ton a 2.1% increase from R2026/ton.

The domestic was quiet this week just after the Easter holidays. All price changes stemmed from the pressure after the China announcement of a 25% import duty on soybeans and maize products from the US.



Bullish factors

- Yellow maize exports came in at 3621 tons, up from 2938 tons the previous week. Exports still below the needed level to reduce significant stocks.
- The Rand depreciated to a 2 week low this week amid fears of trade war.

Bearish factors

- Heavy rainfall over the Eastern Cape, western parts of the North West and Free State, supported crop development; therefore supporting the expected official commercial maize crop estimate for 2017/18 was raised slightly to 12.4 million tons.
- Rains are expected over the eastern parts of the country in the next 2 weeks.

Outlook

Local

Favourable growing conditions in South Africa's summer crop growing regions, supported greater crop prospects of maize. Official crop estimate for 2017/18 was raised slightly to 12.4 million tons. This is a decline from the previous year's record of 16.8 million tons. But carry-over stocks and sluggish exports in the SA, will suppress prices in the medium term. The slightly weaker Rand and the US's bullish Prospective Planting report last Thursday likely to support domestic maize prices.

International

Slight reduction in US maize crop, may lead to reduced global stock levels, therefore likely to underpin better prices.

Yellow Maize Futures: 06 April 2018	May-18			Jul-18			Sep-18			Dec-18		
CBOT (\$/t)	153.34			156.78			159.34			162.69		
SAFEX (R/t)	2045			2069			2120			2169		
SAFEX (R/t) Change week on week (w/w)	45			43			45			40		
	May-18			Jul-18			Sep-18					
	Ask	Put	Call	Ask	Put	Call	Ask	Put	Call			
	2,080	67	32	2,100	102	71	2,160	136	96			
	2,040	44	49	2,060	80	89	2,120	113	113			
	2,000	27	72	2,020	62	111	2,080	93	133			

Table 2: Weekly average white maize futures and estimated option prices

White Maize Futures 06 April 2018	May-18			Jul-18			Sep-18			Dec-18		
SAFEX (R/t)	1943			1985			2024			2101		
SAFEX (R/t) Change w/w	30			32			28			32		
	May-18			Jul-18			Sep-18					
	Ask	Put	Call	Ask	Put	Call	Ask	Put	Call			
	1,980	76	39	2,020	102	67	2,060	129	93			
	1,940	53	56	1,980	80	85	2,020	107	111			
	1,900	35	78	1,940	61	106	1,980	88	132			

Wheat market trends

International

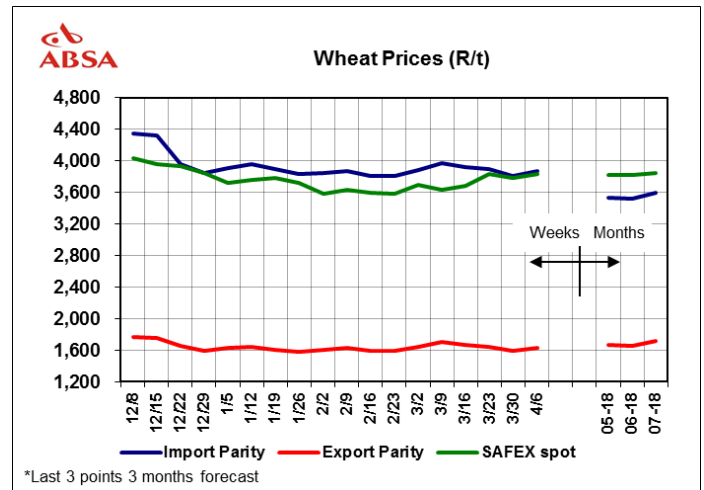
The weekly average old season HRW wheat Gulf price remained unchanged at US\$188.59/ton for the past week. Weekly average SRW wheat price declined by 0.7% from US\$191.85/ton to US\$190.51/ton. Last week Thursday's USDA Prospective Planting report showed a 3% increase year-on-year in US all-wheat area.

Bullish factors

- The US's 1st Crop Progress Report for the season shows that winter wheat condition is the worst it's been in 16 years.
- HRW wheat production for the 2018/19 season in the US remains an uncertainty.
- Dryness impacts ahead of seeding in Australia and Argentina underpinned prices.
- Egypt's GASC bought 355,000 ton of milling wheat from Russia and 120,000 ton from EU.

Bearish factors

- EU sluggish exports, coupled with favourable 2018/19 crop prospects for Black Sea and EU crops dampened rallying prices.
- Last week Thursday's USDA Prospective Planting report showed a 3% increase year-on-year in US all-wheat area.



Domestic

On April 6th 2018, wheat prices for delivery in May2018 increased slightly by 0.4% (R14/ton) from R3808/ton to R3822/ton. During the past Jul2018 wheat prices increased marginally by 0.6% (R23/ton) from R3823/ton to R3846/ton.

Bullish factors

- Higher US wheat prices underpinned domestic wheat prices.
- Planting season is about to commence in the next month. Seed sales have declined significantly in the Western Cape (Swartland area). It could change should winter rains be sufficient and encourage more planting. The Overberg areas received some summer rain, but full swing planting will commence next month. With seed sales lower, planting intentions remain unknown.

Bearish factors

- The Western Cape is expected to receive some above average rainfall over the next months.
- The current import tariff is still R716.33/ton pending the publication of the lower tariffs that triggered in Feb (R394.85/ton) and March (R293.94/ton). The tariff will decline to the Feb trigger first and then the March trigger when applicable upon publication, for now the time frame of the publication remains uncertainty.

Outlook

Local

Western Cape livestock producers were struggling with feed for their cattle due to higher maize price costs down in the Western Cape. Transportation costs are higher for the Western Cape producers, because trucks transporting maize from inland return empty from the coast. Livestock producers are paying roughly R400-500/ton more on maize. This is becoming too expensive. Therefore we anticipate to see a shift in plantings to feed crops, canola and barley to maximize profitability at the cost of wheat.

International

Drought concerns persisted in the winter wheat areas in the US, despite beneficial rains. Due to heavy global supplies, prices are expected to trade sideways for the medium term.

Wheat Futures 06 April 2018	May-18			Jul-18			Sep-18			Dec-18		
CME (\$/t)	176.83			182.98			191.16			197.41		
SAFEX (R/t)	3822			3846			3846			3808		
SAFEX (R/t) Change w/w	14			23			25			25		
May-18			Jul-18			Sep-18						
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call				
3,860	87	49	3,880	135	101	3,880	175	141				
3,820	65	67	3,840	114	120	3,840	154	160				
3,780	47	89	3,800	94	140	3,800	134	180				

Oilseeds market trends

International

The weekly average USA soybean price increased week-on-week from US\$386.54/ton to US\$388.65/ton. US soya oil prices declined from US\$31.87/ton to US\$25.57/ton and soymeal prices traded lower from US\$369.33/ton to US\$304.54/ton.

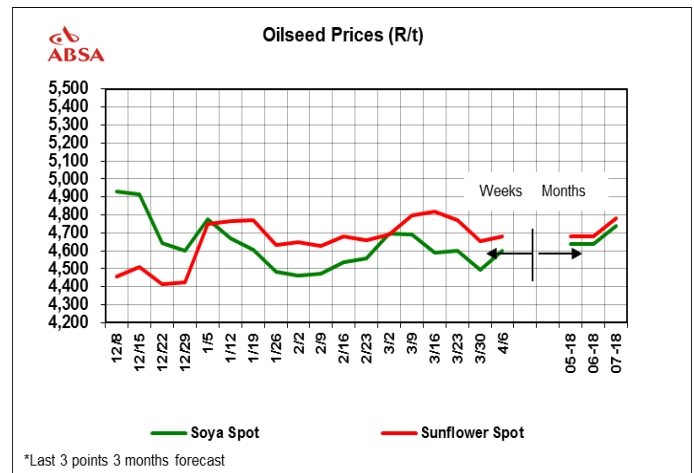
Bullish factors

Soybean:

- Argentine soybean crop was lowered, at best the Argentine crop will reach 37 million ton due to poor yields. Total South American crop is pegged at 168.6 million ton, 16 million tons less than the previous year.
- In case of a 25% import duty, China will still require about 22-24 million ton of US soybeans, irregardless of Brazilian imports to China in April/Dec.
- The dependence on US soybeans likely to increase worldwide in the next few months as a result of the South American crop failure this year.

Other Oilseeds:

- Canola traded higher week on week, on the back of firmer soybean prices.
- Argentine groundnut production is expected to decline to 0.65-0.70 million ton, which triggered a price rally.



Bearish factors

Soybean:

- Most of the activity in the soybean industry was influenced by the USDA's Prospective Plantings from last week Thursday (29 March 2018). China announced on the 4th April that they intend to impose a 25% tariff on soybeans from the US. US-China trade war fears pressured soybean prices throughout the week.

Other Oilseeds:

- The Peruvian catch quota for Apr/June fishing season is at 3.3 million ton, way above market estimates. This may increase fishmeal and fish oil production estimates above market expectations.

Domestic

On April 6th, new season sunflower seed prices (May2018) increased marginally week on week by 1.3% (R62/ton) from R4621/ton to R4683/ton. New season sunflowerseed prices (Jul2018) also increased by 2% (R93/ton) from R4689/ton to R4782/ton.

New season soybean prices increased week on week from (May2018) prices increased by 2.8% (R127/ton) from R4512/ton to R4639/ton, while Jul2018 soybean prices increased by 2.6% (R120/ton) from R4617/ton to R4737/ton.

Bullish factors

- Yields in the western soybean growing regions are not expected to be as high as 2017 due to weather conditions.
- Weather remains critical, especially for the late planted sunflower crops in the North West and the Eastern Free State. Should frost occur, this could have crucial impact on the size of the sunflower crop.
- Sunflower crop is estimated to be lower at 749 205 ton according to the latest national crop estimates than the previous season's harvest. This may raise the import demand for palm oil and soya oil in the coming months.

Bearish factors

- Official national crop estimates (CEC data released 28 March 2018) indicate a potential record soybean harvest of 1.39 million ton, 6% higher than the previous year.
- Favourable prospects for continuous rainfall in the next weeks set to benefit the soybean and sunflower crop and aid recovery after the dry phase.
- Sunflower and soybean seed prices weighed down by international lower soybean and sunflower seed prices due to trade war fears escalation between the US and China.
- Sunflower oil consumption in South Africa increased steeply in the recent months. The bulk came from the EU, leveraging of preferential import duty. Soya oil import declined, losing market share to imported sunflower oil.

Outlook

Local

Sunflower and soybean seed prices weighed down by international lower soybean and sunflower seed prices due to trade war fears escalation between the US and China.

International

Most of the activity in the soybean industry was influenced by the USDA's Prospective Plantings from last week Thursday (29 March 2018). China announced on the 4th April that they intend to impose a 25% tariff on soybeans from the US. US-China trade war fears pressured soybean prices throughout the week. In case of a 25% import duty, China will still require about 22-24 million ton of US soybeans, irregardless of Brazilian imports to China in April/Dec.

Oilseeds Futures 29 March 2018	May-18	Jul-18	Sep-18	Dec-18				
CBOT Soybeans (US\$/t)**	378.92	382.87	381.03	380.94				
CBOT Soy oil (US c/lb)	32.32	32.46	34.82	33.54				
CBOT Soy cake meal (US\$/t)*	421.54	425.27	416.59	408.46				
SAFEX Soybean seed (R/t)	4639	4737	4840	4940				
<i>SAFEX Soybean seed (R/t) change w/w</i>	4512	4617	4723	4823				
<i>SAFEX Sunflower seed (R/t)</i>	4683	4782	4898	5002				
<i>SAFEX Sunflower seed (R/t) change w/w</i>	62	93	68	17				
May-18			Jul-18			Sep-18		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
4,720	119	82	4,820	198	160	4,940	228	186
4,680	98	101	4,780	177	179	4,900	207	205
4,640	79	122	4,740	157	199	4,860	187	225

*short ton

** Dec 2018 = Jan 2019

Beef market trends

International

New Zealand steers traded sideways over the past week at 5.56NZ\$/kg and cows traded sideways at 4.43NZ\$/kg compared to a week ago. In the US, beef prices for the week were mostly lower as follows: Topside traded 0.96% lower at \$219.83/cwt. Rump was 4.14% lower at \$330.29/cwt and strip loin was 0.97% higher at \$673.20/cwt. Chuck traded 2.50% lower at \$212.20/cwt. Brisket traded 0.38% higher at \$281.66/cwt. The carcass equivalent price was 0.40% lower at \$329.81cwt.

Bullish factors

- Beef central reported that Indonesia considering beef imports from Brazil. This comes as the Indonesian Government moves to further expand beef supply in the lead up to this year's Ramadan festival, which involves fasting, followed by a period of feasting.

Bearish factors

- Strong New Zealand Dollar weighs on New Zealand export prices.
- Declining cattle futures and the anticipation of New Zealand's cow slaughter could result in some downside pressure in prices. There are expectations of increasing cattle supplies in April and May in New Zealand.
- The potential of a trade war between US and China is also a point of concern for the beef market.
- US cattle placements hit 16-year high in February as drought persists. Larger cattle numbers means more beef production around the late summer and early fall period

Domestic

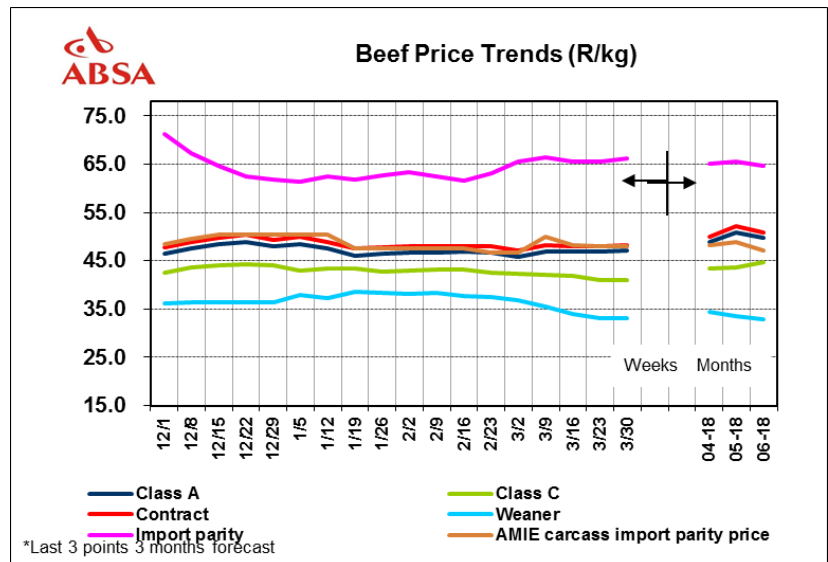
Week on week, beef prices recovered from last week's declines and were mostly higher across the different classes. The average Class A price was 0.51% higher this week at R47.07/kg. Class C prices were 0.30% higher at R41.06/kg. The average weaner calf price over the past week remained the same at R33.00/kg. There is an increase in weaner calves numbers, weighing on calve prices. Normally, the increased supply for weaner calves during the weaner calve season from March until May could weigh further on weaner calf prices. This will improve the price margin for feedlots. The average hide price over the past week lost some ground. The market remains soft across all the board due relatively strong ZAR strength and the weak international market. The average hide prices traded 3.9% lower w/w at R8.86/kg green. NB* Hide prices are determined by the average of the RMAA (Red Meat Abattoir Association) and independent companies.

Bullish factors

- Favourable rainfall conditions. Favourable rains improve soil moisture levels, veldt conditions ahead of winter.
- Increased uptake towards Easter may support prices.

Bearish factors

- Weaner calf prices are under pressure due to an increase in the number of weaners in the market currently.
- Normally, the increased supply for weaner calves during the weaner season from March until May could weigh further on weaner calf prices. This will improve the price margin for feedlots.



- Favourable feed environment.

Outlook

Internationally, plentiful beef production may weigh on market prices.

Locally, beef prices may strengthen moving forward on the back of expected increases in demand towards Easter.

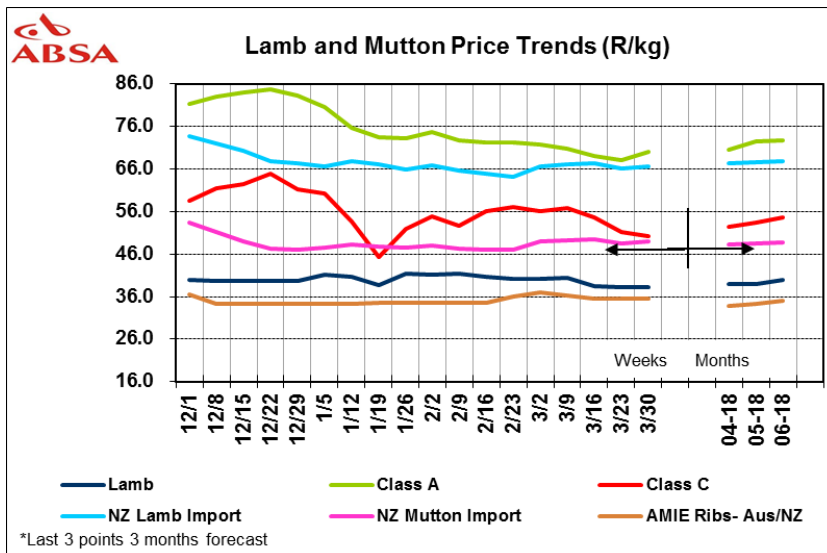
Sheep meat market trends

International

New Zealand lamb prices traded sideways this week compared to last week. Lamb prices closed sideways at NZ\$106.1/head for 15kg lamb. Lamb prices were sideways at NZ\$148.6/head for 21kg lamb. Ewe prices traded sideways at NZ\$101.9/head for a 21kg ewe. The import parity price for lamb was 0.9% higher at R66.72/kg, while the import parity price for mutton was 0.9% higher at R48.94/kg.

Bullish factors

- Globally, market demand for lamb overall remains supported by continuing low supply.
- Agri HQ has reported that current New Zealand lamb operating prices are high and are roughly in line with those at peak season in October.
- A return to tight supply in winter and early spring is expected to counterbalance the short term downside in New Zealand prices.



Bearish factors

- There is a growing gap between lamb prices and competing proteins.
- Price downside can be expected in the short term on the back of increases in lamb supplies in New Zealand.

Domestic

This week, lamb and mutton prices were mixed when compared to the previous week. Lamb and mutton prices were as follows: The national average Class A carcass lamb prices increased by 2.9% to R70.12/kg and the average Class C carcass prices decreased by 1.9% to R50.24/kg. The average price for feeder lambs traded 0.1% lower at R38.23/kg. The average price for dorper skin is 10.4% higher at R36.67/skin and merinos were 1.8% lower at R82.50/skin.

Bullish factors

- During January 2018, 284 934 head of sheep were slaughtered. This is 18% fewer head of sheep slaughtered compared to the same time a year ago.
- Improved uptake towards Easter

Bearish factors

- Favourable rains improve soil moisture levels, veldt conditions and dam levels ahead of winter

Outlook

Internationally, market conditions continue to support prices, due to tight global supplies. Locally, it can be expected that prices will start picking up towards Easter in line with increased consumer demand.

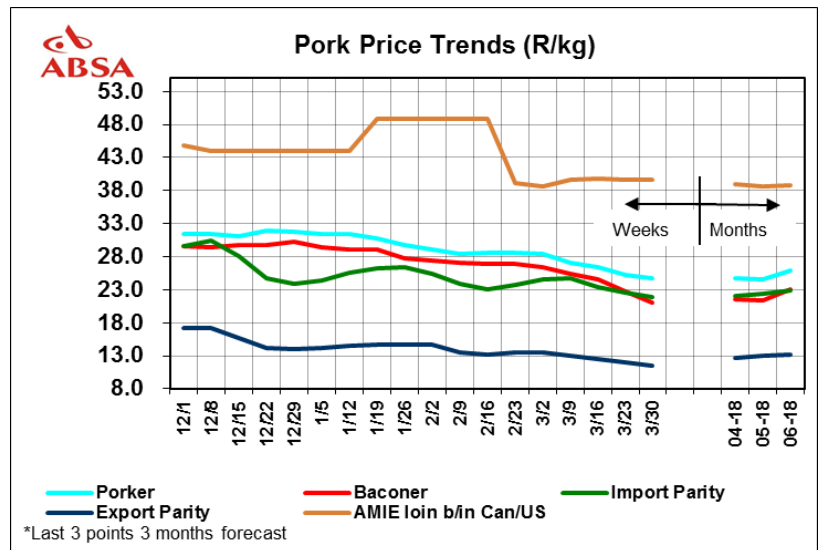
Pork market trends

International

The average weekly US pork prices were mostly lower over the past week. Carcass prices were 1.6% lower at US\$69.79/cwt, loin prices were 3.5% lower at US\$70.28/cwt, rib prices were 0.3% lower at US\$131.82/cwt and ham was 0.9% lower at US\$52.14/cwt.

Bullish factors

- Brazilian pork producers may benefit from the possible imposition by China of an additional levy on imports from the US, local trade group ABPA reported. Chinese buyers of Brazilian pork meat have been increasing orders to domestic suppliers since January. In the first two months of the year, pork exports from Brazil to China increased 140% to 25,500 tons.



Bearish factors

- Large supplies of hogs in the US.
- Concerns about a slowdown in export demand on trade tensions between the US and China.
- Large feed production and lower feed costs encourage production.
- US Department of Agriculture's monthly cold storage report showed total February pork stocks at 614.9 million pounds. That was up 6% month on month and 8% from the last year.

Domestic

Average pork prices have shown a declining trend over the past two months. Seasonality, less demand, plentiful supplies, the buying power of consumers and the rand strength have contributed to these declines.

This week, pork prices continued with their declines. The latest average pork prices are as follows: The average porker prices are 1.6% lower at R24.78/kg, while the average baconer prices are 7.3% lower at R21.05/kg. The average cutters prices were 9.1% lower at R20.6/kg and the average heavy baconer price was 10.7% lower at R20.17. The SAU price was 4.0% lower at R15.30/kg.

Bullish factors

- Pork remains a cheaper protein
- Improved uptake during Easter.

Bearish factors

- Increased supplies weigh on market prices. 238 510 pigs were slaughtered during January 2018. This was 4.5% higher compared to the same time a year ago.
- Seasonality, less demand, plentiful supplies, the buying power of consumers and the rand strength may have been some of the factors that have contributed to declines in the pork market.

Outlook

Internationally, concerns continue around China's plans to increase tariffs against US pork imports, which bring uncertainty to trade.

Locally, there are plentiful supplies of pork in the market, which weigh on prices.

Poultry market trends

International

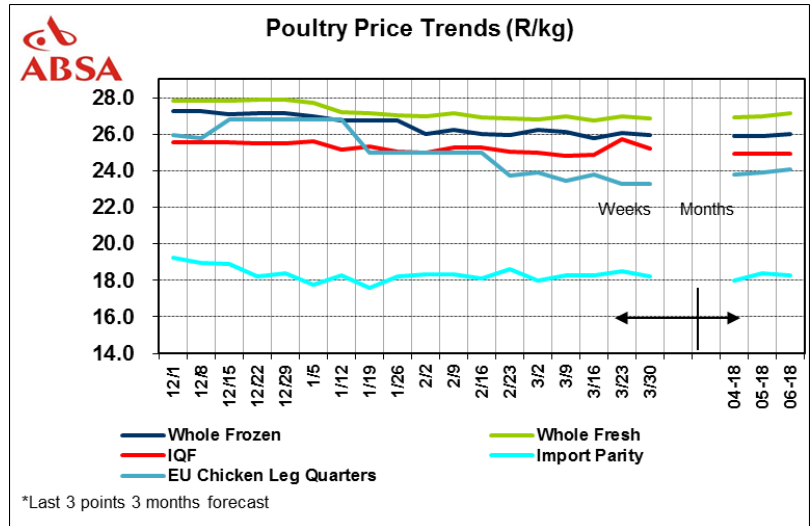
Poultry prices in the US were mixed over the past week. Whole bird prices were 2.32% higher at 108.59USc/lb. Breast traded 2.47% lower at 138.00USc/lb, while leg quarters traded sideways at 39.00USc/lb.

Bullish factors

- Possible return of avian influenza in the northern hemisphere may impact global trade.

Bearish factors

- The US Department of Agriculture has reported that poultry production during February was up 3% on the year at 3.767 billion pounds. The chicken slaughter was 703.144 million head, a 2% increase year on year.
- Prolonged favourable feeding environment is supportive to poultry production.



Domestic

The average poultry prices over the past week were mostly lower. The average prices for frozen birds were 0.36% lower at R25.96/kg during the week. Whole fresh medium bird prices were 0.26% lower at R26.89/kg, while IQF prices were 1.88% lower at R25.23kg. Week on week, import parity prices decreased due to the strength in the South African Rand, as well as decreases in international prices.

Bullish factors

- Improvement in demand towards of Easter

Bearish factors

- The Stats SA monthly prices for February 2018 show that consumer egg prices are showing some slight recovery after having followed increasing trends in the past months. Egg prices for ½ dozen declined by 0.6%, to R16.40 whilst prices for 2.5 dozen declined by 1.2% to R62.97 during February 2018 when compared to January 2018.
- Confirmation that the origin of the listeriosis outbreak has been linked to processed meats like polony may bring some uncertainty and limit some of the demand.
- Favourable feed price environment.

Outlook

Internationally, larger broiler supplies are expected to keep prices subdued, but developments in avian influenza will influence trade and prices.

Locally, poultry prices may gain support from improvement in demand towards of Easter.

Livestock prices (R/kg) week 05 April 2018	Beef			Mutton			Pork			Poultry		
	%	Current week	Prior week	%	Current week	Prior week	%	Current week	Prior week	%	Current week	Prior week
Class A/ Porker/ Fresh birds	0.51	47.07	46.83	2.9	70.12	68.14	-1.6	24.78	25.18	-0.26	26.89	26.96
Class C/ Baconer/ Frozen birds	0.30	41.06	40.94	-1.9	50.24	51.21	-7.3	21.05	22.72	-0.36	25.96	26.06
Contract/Baconer/ IQF	0.41	48.21	48.02	3.2	70.89	68.68	-4.3	22.91	23.95	-1.88	25.23	25.71
Import parity price	0.94	66.11	65.49	0.9	48.94	48.50	-3.3	27.5	28.4	-1.3	18.2	18.5
Weaner calves/ Feeder lambs	0	33.00	32.99	-0.1	38.23	38.26		-	-			
Specific imports: Beef trimmings 80vl/b/ Mutton shoulders/Loin b/in/ chicken leg 1/4	0	47.90	47.90	0	57.90	57.90	0	39.70	39.70	0	23.25	23.25

Wool market trends

International

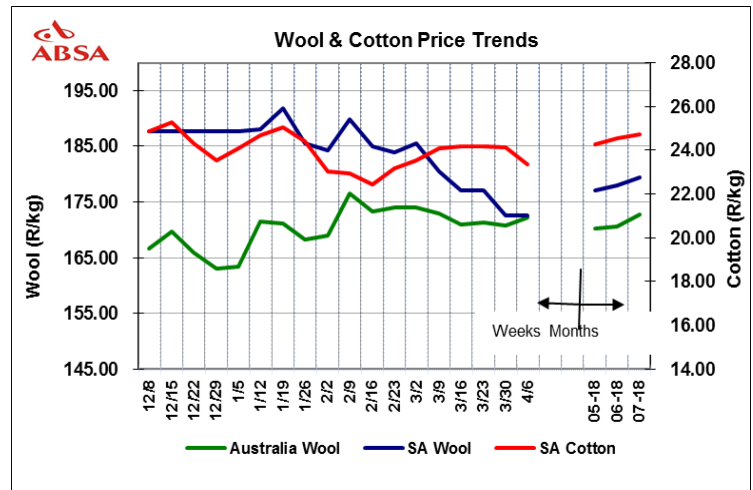
Due to the Easter break, sales will commence on the week of the 9th April 2018. The Australian wool market prices remained unchanged at Au1772c/kg from last week's auction.

Bullish factors

- The Australian wool prices gained momentum this week on the back of a surge in demand and lower supplies.
- Growing disposable incomes in the key wool consuming countries leading to price increases.

Bearish factors

- The high and rising wool prices have encouraged producers to shear their sheep and deliver as quickly as possible into the market. In some cases, producers are reported to be shearing earlier than usual to take advantage of these high prices.
- Australian wool sheep is expected to recover, driven by a 6% production increase over the past 2 consecutive years.



Domestic

The last auction was on the 28th March 2018. Domestic wool market prices decreased and the merino indicator was 2.5% lower to close at R172.64 (clean) at the sale.

Bullish factors

- Demand for quality and fine wool remains strong.
- Allbirds (merino wool shoe company from New Zealand), said to source its eucalyptus from more eco-friendly South African farms that reduce usage of fertilizer and irrigation water.
- The market is driven by the growth in demand, notably from China.

Bearish factors

- Analysts do caution that some degree of a downward correction is to be expected.
- A relatively Strong Rand plays a role in the decline of seasonal deliveries at the auctions.

Outlook

Internationally, prospects for wool are swaying positive driven by growing disposable incomes in the key wool consuming countries. Winter fashion trends from China expected to drive a demand surge and determine prices.

Locally, the South African wool market is positive, driven by strong demand.

Cotton market trends

International

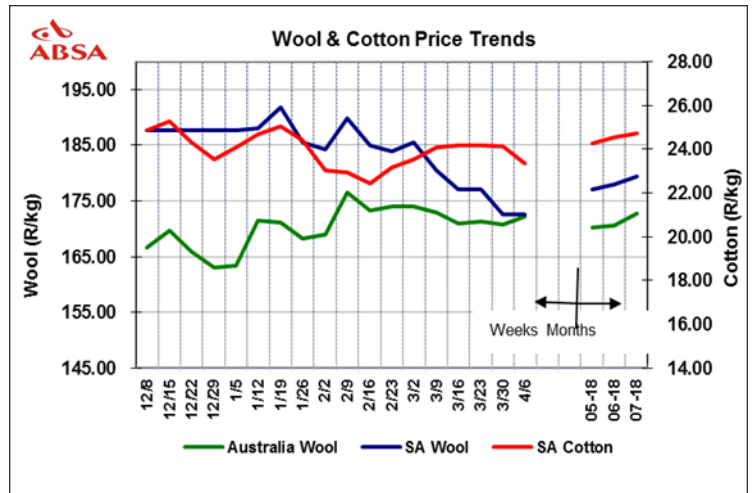
Cotton prices traded lower over the past week and closed at US77.93c/lb from US79.19c/lb. Cotton prices came under immense pressure as trade war fears escalated between the US and China.

Bullish factors

- Latest data according to the International Cotton Association estimates global output at 25.35 million ton lower than global consumption at 26.52 million ton. Carry-over stock remains on a decline.

Bearish factors

- The US is the biggest exporter of cotton and China the largest consumer in the world. Prices spiked amid the deepening trade war concerns between China and US. China imposed 25% import duty on US cotton imports.



Domestic

The derived SA cotton prices traded 0.13% lower to close at R23.37/kg. Cotton prices came under immense pressure as trade war fears escalated between the US and China.

Outlook

Internationally, the US is the biggest exporter of cotton and China the largest consumer in the world. Prices plunged amid the deepening trade war concerns between China and US.

Locally, the world market and exchange rate movement may continue to affect the domestic market prices.

Fibres market trends
Week ended 06 April 2018

Wool prices	%	SA prices (c/kg)	%	Australian prices (SA c/kg)	%	Australian future May 2018 (AU\$/kg)	%	Australian future Jul 2018 (AU\$/kg)
Wool market indicator		17264	0.00	16305		-		-
19µ micron		18735	0.00	18710	0.89	19.60	0.00	19.20
21µ micron		16872	0.00	17372	0.89	17.60	0.00	17.20
Cotton prices 29 March 2018		SA derived cotton (R/kg)		New York A Index (US\$/kg)		New York future May 2018 (US\$/kg)		New York future Jul 2018 (US\$/kg)
Cotton prices	0.08	23.37	-3.23	1.96	-3.15	1.82	-1.1	1.81

Vegetables market trends

Tomatoes

The Gauteng area had heavy rains the previous 2 weeks, which caused some crop damage and lowered crop size (volumes available at the FPMs). Prices have been trading higher coupled with the Easter weekend heightened demand. Good quality tomato crop is scares and volumes also low. Prices currently trading average (R6-8/kg for poorer quality and RR9-10/kg for very good quality).

Volumes will likely pick up in the next few months as the Southern Laeveld and Limpopo producers start to market their produce.

Onions

Onion prices did not trade as high as previously expected. The Northern Cape producers marketed their crop quicker and at larger volumes than previously anticipated. NC onion quality was also inferior; therefore prices for the past weeks have been on the decline. Markets have reduced levels of stock now. Demand during Easter weekend kept prices up. We anticipate a slight pick-up and sideways price movement in the next 2 weeks.

Prices will likely trade between R57-R60/bag for the next 3 months. North West and Limpopo onion producers will start to market their produce. Onion crop is expected to be larger than initial estimates. These volumes will compensate for the lower volumes driven by the Western Cape drought.

Potatoes

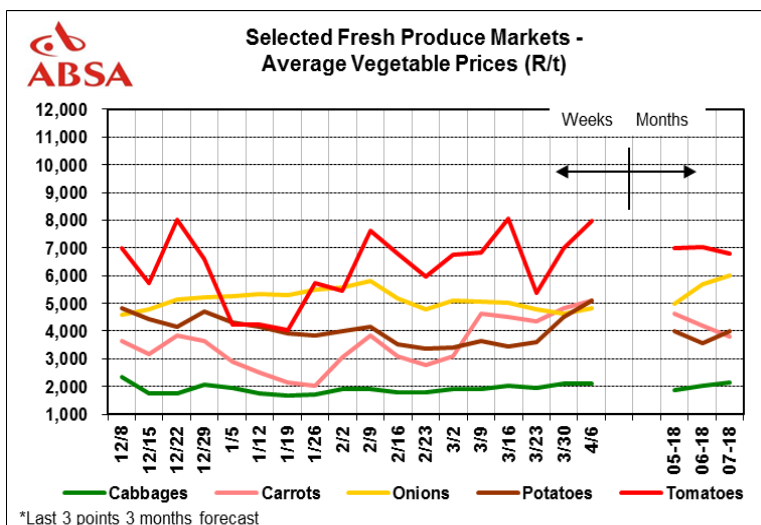
Prices were very high at the end of this week. Heavy rainfall in the Eastern Free State hampered potato harvesting. Producers in those areas are not able to market their crops now. Volumes are really low, underpinning higher prices. Prices are currently trading at R4-R4.50/kg. The current good prices are not expected to prevail for a long time. As soon as the suns out and harvesting conditions improve, volumes will increase, changing the sentiment.

Carrots

The market on carrot has lifted. The higher prices come after the very warm period during the beginning of 2018 caused poor germination rate in the crop. Volumes available are now lower than usual, coupled with the increased Easter weekend demand; prices remain fairly high at R80/bag. Usually prices crash after Easter weekend, but carrot prices have sustained the high.

Peppers

Volumes marketed outweigh consumer demand. Prices remain low and stocks high in markets. Most of the produce delivered is fit for the mass market/lower market quality, therefore not earning higher premiums.



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

Week ending 06 April 2018	Difference in weekly prices	This week's Average Price (R/t)	Previous week's Average Price (R/t)	Difference in weekly volumes	This week's Total Volumes (t)	Previous week's Total Volumes (t)
Cabbages	4%	2284	2190	13%	2012	1775
Carrots	6%	5272	4976	-4%	2424	2519
Onions	3%	4956	4824	18%	8246	6995
Potatoes	18%	5158	4376	11%	17903	16184
Tomatoes	21%	8372	6938	9%	4673	4297
Peppers	-18%	5222	6333	16%	1274	1102

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 use of this information.