

SD-06-2022/abg

22 September 2022

SEPTEMBER RV PRICE for 2022/2023 SEASON

AVERAGE RV PRICE PER TON R 5 801,25

BASE PRICE OF CANE	
RV % CANE	AVG. PRICE Rand/Ton
9,5	551,12
10,0	580,13
10,5	609,13
11,0	638,14
11,5	667,14
12,0	696,15
12,5	725,16
13,0	754,16
13,5	783,17
14,0	812,18
14,5	841,18
15,0	870,19

Industry Average RV % Cane	11,73%
"d" factor	0,473579
SASRI Extension Levy	R1,02
SASRI Levy - LSG Research	R0,88

The RV price payable at the end of **SEPTEMBER 2022** in respect of 2022/2023 season cane deliveries up to the end of **AUGUST 2022** was declared at **R5 801,25** per ton of RV. This represents an increase of **R59,09** when compared with the previous price (in respect of 2022/2023 season cane deliveries up to the end of July 2022). The increase was driven by the higher weighted average No.11 world market price (US21,45c/lb. vs. US21,41c/lb) and the weaker weighted average R/\$ exchange rate (R16,82 vs. R16,25).

The next notional price increase of 4% will be effective from the 31 August 2022, it will be brought into account in the RV price payable at the end of October 2022.

The changes in monthly RV input variables and corresponding changes in revenue are detailed in Table 2 below:

Table 2: Change in RV price input variable and revenue

RV Price - Change in input variables	Latest	Difference	Previous
Cane Production	18 370 769	8 391	18 362 378
Sugar: RV Ratio	91,96%	0,24%	91,72%
Gross Sugar Production	1 980 978	7 629	1 973 349
LMDE	1 455 802	0	1 455 802
RV Tons	2 154 229	2 736	2 151 493
#11 World Price (wt avg)	21,45	0,04	21,41
R/US\$ Ex Rate (wt avg)	16,82	0,57	16,25
RV Price	5 801,25	59,09	5 742,16
Change in Revenue	Latest	Difference	Previous
Rebates	232 642 979	0	232 642 979
Local Market Proceeds	15 327 977 993	0	15 327 977 993
Export Proceeds	4 203 514 461	205 868 003	3 997 646 458
Molasses Proceeds	863 829 087	18 384 909	845 444 178
Industrial Costs	781 471 281	1 925 827	779 545 454
Total Grower Revenue (64.3127% of NDP)	12 614 196 677	142 984 552	12 471 212 125
Grower Levy - Net	-116 983 910	9 242	-116 993 152
Net Grower Revenue for RV price	12 497 212 767	142 993 794	12 354 218 973

Table 3 provides a range estimate for the final price for 2022/2023. The most likely estimate for 2022/2023 price is **R5 951** within a range of a low of **R5 796** and a high of **R6 094**.

Table 3: Range estimate for 2022/2023 RV Price

		Low Estimate	Most Likely Estimate	High Estimate
Gross Sugar Production		2 000 000	1 950 000	1 900 000
RV % Cane		11,73%	11,73%	11,73%
Sugar: RV Ratio		91,50%	92,00%	92,50%
LMDE		1 445 000	1 485 000	1 520 000
Rebates (R)		232 642 979	232 642 979	232 642 979
No.11 (% exposure)		50,8%	41,3%	28,2%
No.11 (wt.avg)		21,07	21,77	22,53
R/\$ (% uncovered)		42,42%	42,42%	42,42%
R/\$ (wt. Avg.)		16,4036	16,6157	16,8278
RV Price		5 796,64	5 951,82	6 094,16
Notional Price Change 1	Sep-22	4,00%	4,00%	4,00%
Notional Price Change 2	Mar-23	0,00%	0,00%	0,00%
R/\$ Exchange Rate (Uncovered)		16,50	17,00	17,50
No.11 price (unpriced)		18,50	19,00	19,50
Refined %		60,03%	60,03%	60,03%