

SD-09-2022/abg

12 December 2022

DECEMBER RV PRICE for 2022/2023 SEASON

AVERAGE RV PRICE PER TON R5 746,74

BASE PRICE OF CANE	
RV % CANE	AVG. PRICE Rand/Ton
9,5	545,94
10,0	574,67
10,5	603,41
11,0	632,14
11,5	660,87
12,0	689,61
12,5	718,34
13,0	747,08
13,5	775,81
14,0	804,54
14,5	833,28
15,0	862,01

Industry Average RV % Cane	11,86%
"d" factor	0,472411
SASRI Extension Levy	R 1,07
SASRI Levy - LSG Research	R 0,91

The RV price payable at the end of **DECEMBER 2022** in respect of 2022/2023 season cane deliveries up to the end of **NOVEMBER 2022** was declared at **R5 746,74** per ton of RV. This represents a decrease of **R80,32** when compared with the previous price (in respect of 2022/2023 season cane deliveries up to the end of October 2022). The decrease was driven by the firmer weighted average R/\$ exchange rate (R16,82 vs R17,21), the lower weighted average No.11 world market price (US22,12c/lb. vs. US22,31c/lb) and the reduction of the LMDE by 61 650 tons which was an outcome of zero carry-over tonnage decision taken by the industry in order to avoid SASA financial risks associated with funding carry-over tonnage. The zero-carryover tonnage has resulted to the reduction of estimated Local Market Revenue by R673 million.

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	17 832 619	-131 258	17 963 877
Sugar: RV Ratio	90,91%	-0,68%	91,58%
Gross Sugar Production	1 923 355	-23 448	1 946 803
LMDE	1 221 664	-61 650	1 283 314
RV Tons	2 115 784	-9 965	2 125 749
#11 World Price (wt avg)	22,12	-0,49	22,61
R/US\$ Ex Rate (wt avg)	16,82	-0,39	17,21
RV Price	5 746,74	-80,32	5 827,06
Change in Revenue	Latest	Difference	Previous
Rebates	201 405 266	0	201 405 266
Local Market Proceeds	13 188 117 428	-673 335 525	13 861 452 953
Export Proceeds	5 778 877 113	61 922 653	5 716 954 460
Molasses Proceeds	859 774 131	-7 995 271	867 769 402
Industrial Costs	738 782 202	-264 949 432	1 003 731 634
Total Grower Revenue (64.3127% of NDP)	12 275 999 476	-227 961 966	12 503 961 442
Grower Levy - Net	-117 142 302	-38 719	-117 103 583
Net Grower Revenue for RV price	12 158 857 174	-228 000 685	12 386 857 859

Table 3 provides a range estimate for the final price for 2022/2023. The most likely estimate for 2022/2023 price is **R5 772** within a range of a low of **R5 690** and a high of **R5 869**.

Table 3: Range estimate for 2022/2023 RV Price

		Low Estimate	Most Likely Estimate	High Estimate
Gross Sugar Production		1 900 000	1 875 000	1 850 000
RV % Cane		11,86%	11,83%	11,83%
Sugar: RV Ratio		90,50%	90,91%	91,50%
LMDE		1 221 664	1 221 664	1 221 664
Rebates (R)		201 405 266	201 405 266	201 405 266
No.11 (% exposure)		41,5%	39,2%	36,8%
No.11 (wt.avg)		21,85	22,13	22,40
R/\$ (% uncovered)		48,75%	48,75%	48,75%
R/\$ (wt. Avg.)		16,5990	16,8135	17,0865
RV Price		5 689,51	5 771,84	5 869,46
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	16,94	17,50
No.11 price (unpriced)		19,50	20,00	20,50
Refined %		60,04%	60,04%	60,04%