

SD-07-2024\_2025

**17 October 2024**

**OCTOBER RV PRICE for 2024/2025 SEASON**

**AVERAGE RV PRICE PER TON                      R 7 734,29**

| BASE PRICE OF CANE |                        |
|--------------------|------------------------|
| RV % CANE          | AVG. PRICE<br>Rand/Ton |
| 9,5                | 734,76                 |
| 10,0               | 773,43                 |
| 10,5               | 812,10                 |
| 11,0               | 850,77                 |
| 11,5               | 889,44                 |
| 12,0               | 928,11                 |
| 12,5               | 966,79                 |
| 13,0               | 1005,46                |
| 13,5               | 1044,13                |
| 14,0               | 1082,80                |
| 14,5               | 1121,47                |
| 15,0               | 1160,14                |

|                            |                 |
|----------------------------|-----------------|
| Industry Average RV % Cane | <b>12,18%</b>   |
| "d" factor                 | <b>0,500071</b> |
| SASRI Extension Levy       | <b>R 1,40</b>   |
| SASRI Levy - LSG Research  | <b>R 1,06</b>   |

The RV price payable at the end of **OCTOBER 2024** in respect of **2024/2025** season cane deliveries up to the end of **SEPTEMBER 2024** was declared at **R7 734,29** per ton of RV. This represents an increase of **R329,60** per ton of RV when compared with the previous month declared RV Price of **R7 404,68** per ton of RV.

The increase was driven by the following:

- (a) The recovery of R436.6m, being part of the 175 levy that was deducted from growers in March 2023.
- (b) Higher weighted average No.11 world market price (US23,28c/lb. vs. US21,68c/lb) which contributed to the increase in export proceeds by R61.6m,
- (c) The Notional Price increase of 2,5% effective 11 September 2024 which increased Local Markets proceeds by R260m,
- (d) The Molasses Price increase of 2,5% effective 11 September 2024 which increased proceeds by R6.5m,

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.**

| <b>RV Price - Change in input variables</b>   | <b>Latest</b>         | <b>Difference</b>  | <b>Previous</b>       |
|-----------------------------------------------|-----------------------|--------------------|-----------------------|
| Cane Production                               | 17 114 538            | -198 058           | 17 312 596            |
| Sugar: RV Ratio                               | 93,54%                | -0,12%             | 93,66%                |
| Gross Sugar Production                        | 1 950 269             | -24 820            | 1 975 089             |
| LMDE                                          | 1 498 309             | -736               | 1 499 045             |
| RV Tons                                       | 2 084 941             | -23 907            | 2 108 848             |
| #11 World Price (wt avg)                      | 23,28                 | 1,60               | 21,68                 |
| R/US\$ Ex Rate (wt avg)                       | 18,16                 | -0,19              | 18,34                 |
| <b>RV Price</b>                               | <b>7 734,29</b>       | <b>329,60</b>      | <b>7 404,69</b>       |
| <b>Change in Revenue</b>                      | <b>Latest</b>         | <b>Difference</b>  | <b>Previous</b>       |
| Rebates                                       | 244 618 511           | 3 108 165          | 241 510 346           |
| Local Market Proceeds                         | 20 621 578 467        | 260 081 501        | 20 361 496 966        |
| Export Proceeds                               | 4 187 378 659         | 61 616 614         | 4 125 762 045         |
| Molasses Proceeds                             | 1 026 151 834         | 6 581 760          | 1 019 570 074         |
| Clause 175 Levy - Partial Recovery            | 436 685 560           | 436 685 560        | 0                     |
| Industrial Costs                              | 908 860 050           | -28 361 148        | 937 221 198           |
| <b>Total Grower Revenue (64.3127% of NDP)</b> | <b>16 311 587 957</b> | <b>510 209 746</b> | <b>15 801 378 211</b> |
| Grower Levy - Net                             | -186 050 876          | -32 563            | -186 018 313          |
| <b>Net Grower Revenue for RV price</b>        | <b>16 125 537 081</b> | <b>510 177 183</b> | <b>15 615 359 898</b> |

**Table 3** provides a range estimate for 2024/2025 final RV price. The most likely estimate is **R7 731** within a range of a low of **R7 603** and a high of **R7 860**.

**Table 3: Range estimate for 2023/2024 RV Price**

|                                        | Low Estimate    | Most Likely Estimate | High Estimate   |
|----------------------------------------|-----------------|----------------------|-----------------|
| Gross Sugar Production                 | 1 975 000       | 1 950 269            | 1 925 000       |
| RV % Cane                              | 12,10%          | 12,18%               | 12,30%          |
| Sugar: RV Ratio                        | 93,00%          | 93,54%               | 94,00%          |
| LMDE                                   | 1 480 000       | 1 498 310            | 1 520 000       |
| Rebates (R)                            | 244 618 511     | 244 618 511          | 244 618 511     |
| No.11 (% exposure)                     | 47,7%           | 42,8%                | 36,2%           |
| No.11 (wt.avg)                         | 22,83           | 23,12                | 23,37           |
| R/\$ (% uncovered)                     | 49,80%          | 49,80%               | 49,80%          |
| R/\$ (wt. Avg.)                        | 18,0813         | 18,2307              | 18,4797         |
| <b>RV Price</b>                        | <b>7 603,21</b> | <b>7 730,65</b>      | <b>7 859,57</b> |
| Notional Price Change (September 2024) | 2,50%           | 2,50%                | 2,50%           |
| R/\$ Exchange Rate (Uncovered)         | 17,50           | 17,80                | 18,30           |
| No.11 price (unpriced)                 | 22,00           | 22,50                | 23,00           |