

SD-042-2020/abg

**19 February 2021**

**FEBRUARY 2021 RV PRICE for 2020/21 SEASON**

AVERAGE RV PRICE PER TON **R 5 008,99**

<b>BASE PRICE OF CANE</b>	
<b>RV % CANE</b>	<b>AVG. PRICE Rand/Ton</b>
9,5	475,85
10,0	500,90
10,5	525,94
11,0	550,99
11,5	576,03
12,0	601,08
12,5	626,12
13,0	651,17
13,5	676,21
14,0	701,26
14,5	726,30
15,0	751,35

Industry Average RV % Cane	12,20%
"d" factor	0,439556
SASRI Extension Levy	R 0,86
SASRI Levy - LSG Research	R 0,81

The RV price payable at the end of FEBRUARY 2021 in respect of cane deliveries up to the end of JANUARY 2020/2021 season, was declared at R5 008.99 per ton of RV. This is unchanged from the previous month RV price (for cane deliveries up to the end of December 2020) because of the questionable reduction to the actual sugar production previously declared by one milling company. The adjustment in question is under forensic investigation and hopefully it will be investigated and resolved before the declaration of the final RV price within the next three weeks.

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	18 220 466	0	18 220 466
Sugar : RV Ratio	91,98%	0,00%	91,98%
Gross Sugar Production	2 044 748	0	2 044 748
LMDE	1 460 307	0	1 460 307
RV Tons	2 223 030	0	2 223 030
#11 World Price (wt avg)	14,14	0,00	14,14
R/US\$ Ex Rate (wt avg)	17,12	0,00	17,12
<b>RV Price</b>	<b>5 008,99</b>	<b>0,00</b>	<b>5 008,99</b>
<b>Change in Revenue</b>	<b>Latest</b>	<b>Difference</b>	<b>Previous</b>
Rebates	250 592 371	0	250 592 371
Local Market Proceeds	14 244 045 897	0	14 244 045 897
Export Proceeds	3 044 781 411	0	3 044 781 411
Molasses Proceeds	812 027 685	0	812 027 685
Industrial Costs	619 544 163	0	619 544 163
<b>Total Grower Revenue (64.3127% of NDP)</b>	<b>11 242 702 990</b>	<b>0</b>	<b>11 242 702 990</b>
Grower Levy - Net	-107 572 205	0	-107 572 205
<b>Net Grower Revenue for RV price</b>	<b>11 135 130 785</b>	<b>0</b>	<b>11 135 130 785</b>

Table 3 provides a range estimate for the final price for 2020/2021. The most likely estimate for 2020/2021 price is. R5 067 within a range of a low of R5 023 and a high of R5 080.

**Table 3: Range estimate for 2020/2021 RV Price**

		<b>Low Estimate</b>	<b>Most Likely Estimate</b>	<b>High Estimate</b>
Gross Sugar Production		2 045 000	2 030 000	2 030 000
RV % Cane		12,20%	12,20%	12,20%
Sugar: RV Ratio		91,98%	91,98%	91,98%
LMDE		1 445 000	1 475 000	1 490 000
Rebates (R)		250 592 371	250 592 371	250 592 371
No.11 (% exposure)		7,8%	0,3%	-2,5%
No.11 (wt.avg)		14,18	14,07	14,00
R/\$ (% uncovered)		-14,61%	-14,61%	-14,61%
R/\$ (wt. Avg.)		17,5047	17,4755	17,4316
<b>RV Price</b>		<b>5 023,16</b>	<b>5 066,84</b>	<b>5 080,15</b>
Notional Price Change 1	Sep-20	2,97%	2,97%	2,97%
Notional Price Change 2	Mar-21	1,81%	1,81%	1,81%
R/\$ Exchange Rate (Uncovered)		14,50	14,70	15,00
No.11 price (unpriced)		15,50	16,00	16,50
Refined %		59,65%	59,65%	59,65%