

SD-04-2022/abg

21 July 2022

JULY RV PRICE for 2022/2023 SEASON

AVERAGE RV PRICE PER TON R 5 837,58

BASE PRICE OF CANE	
RV % CANE	AVG. PRICE Rand/Ton
9,5	554,57
10,0	583,76
10,5	612,95
11,0	642,13
11,5	671,32
12,0	700,51
12,5	729,70
13,0	758,89
13,5	788,07
14,0	817,26
14,5	846,45
15,0	875,64

Industry Average RV % Cane	11,63%
"d" factor	0,469088
SASRI Extension Levy	R 1,05
SASRI Levy - LSG Research	R 0,87

The RV price payable at the end of **JULY 2022** in respect of 2022/2023 season cane deliveries up to the end of **JUNE 2022** was declared at **R5 837,58** per ton of RV. This represents an increase of **R175,19** when compared with the previous price (in respect of 2022/2023 season cane deliveries up to the end of May 2022). The increase was driven by the higher sugar: RV ratio (92,68 % vs 92,08%), the higher weighted average No.11 world market price (US21,74c/lb. vs. US21,09c/lb) and the weaker weighted average R/\$ exchange rate (R16,67 vs. R15,34).

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	18 566 295	51 604	18 514 691
Sugar: RV Ratio	92,68%	0,60%	92,08%
Gross Sugar Production	2 001 831	-3 000	2 004 831
LMDE	1 455 802	0	1 455 802
RV Tons	2 159 840	-17 382	2 177 222
#11 World Price (wt avg)	21,74	0,65	21,09
R/US\$ Ex Rate (wt avg)	16,67	1,33	15,34
RV Price	5 837,58	175,19	5 662,39
Change in Revenue	Latest	Difference	Previous
Rebates	243 462 931	-11 109 046	254 571 977
Local Market Proceeds	15 317 158 042	11 109 047	15 306 048 995
Export Proceeds	4 396 132 658	448 632 398	3 947 500 260
Molasses Proceeds	852 516 180	-4 914 819	857 430 999
Industrial Costs	779 392 859	19 567 895	759 824 964
Total Grower Revenue (64.3127% of NDP)	12 725 177 091	279 926 643	12 445 250 448
Grower Levy - Net	-116 943 361	17 179	-116 960 540
Net Grower Revenue for RV price	12 608 233 730	279 943 822	12 328 289 908

Table 3 provides a range estimate for the final price for 2022/2023. The most likely estimate for 2022/2023 price is **R5 863** within a range of a low of **R5 700** and a high of **R5 993**.

Table 3: Range estimate for 2022/2023 RV Price

		Low Estimate	Most Likely Estimate	High Estimate
Gross Sugar Production		2 050 000	2 000 000	1 950 000
RV % Cane		11,63%	11,63%	11,63%
Sugar: RV Ratio		92,00%	92,68%	93,00%
LMDE		1 440 000	1 480 000	1 520 000
Rebates (R)		243 462 931	243 462 931	243 462 931
No.11 (% exposure)		58,6%	51,5%	41,3%
No.11 (wt.avg)		21,29	21,86	22,45
R/\$ (% uncovered)		62,51%	62,51%	62,51%
R/\$ (wt. Avg.)		16,3462	16,6588	16,9713
RV Price		5 700,78	5 863,14	5 993,02
Notional Price Change 1	Sep-22	0,00%	0,00%	0,00%
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)		19,50	20,00	20,50
Refined %		60,03%	60,03%	60,03%