

SD-12-2022_2023/abg

23 March 2023

FINAL RV PRICE for 2022/2023 SEASON

AVERAGE RV PRICE PER TON R 5 435,07

BASE PRICE OF CANE	
RV % CANE	AVG. PRICE Rand/Ton
9,5	529,53
10,0	557,40
10,5	585,27
11,0	613,14
11,5	641,01
12,0	668,88
12,5	696,75
13,0	724,62
13,5	752,49
14,0	780,36
14,5	808,23
15,0	836,10

Industry Average RV % Cane	11,91%
"d" factor	0,477753
SASRI Extension Levy	R 1,08
SASRI Levy - LSG Research	R 0,91

The final RV price payable at the end of **MARCH 2023** in respect of **2022/2023** season cane deliveries was declared at **R5 435,07** per ton of RV. This represents a decrease of **R424,31** when compared with the previous price (in respect of current season cane deliveries up to the end of February 2023). The decrease was mainly driven by R1,5 billion reduction in proceeds due to the Local Market Redistribution (LMR) non-payment levy. This decline in revenue dominated the upward adjustment of the final LMDE by 28 102 tons (1 249 676 vs 1 221 664), the reduction in export proceeds due to the increase in local market demand, the higher weighted average No.11 world market price (US23,88c/lb. vs. US22,46c/lb), the weaker weighted average R/\$ exchange rate (R17,41 vs R17,17), together with the 3,30% Notional Price increase. The approved LMDE for the new season (2023/2024) is 1 513 668.

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	17 911 409	-3 087	17 914 496
Sugar: RV Ratio	90,33%	0,07%	90,26%
Gross Sugar Production	1 926 474	-2 352	1 928 826
LMDE	1 249 676	28 012	1 221 664
RV Tons	2 132 718	-4 202	2 136 920
#11 World Price (wt avg)	23,88	0,42	23,46
R/US\$ Ex Rate (wt avg)	17,41	0,24	17,17
RV Price	5 435,07	-424,31	5 859,38
Change in Revenue	Latest	Difference	Previous
Rebates	189 470 208	-5 100 557	194 570 765
Local Market Proceeds	13 578 117 494	383 165 564	13 194 951 930
Export Proceeds	6 226 715 056	-76 434 432	6 303 149 488
Molasses Proceeds	894 770 630	1 299 239	893 471 391
Redistribution non-payment levy	1 496 181 860	1 496 181 860	0
Industrial Costs	997 661 169	257 212 403	740 448 766
Total Grower Revenue (64.3127% of NDP)	11 708 615 908	-929 552 545	12 638 168 452
Grower Levy - Net	-117 147 742	-8 363	-117 139 379
Net Grower Revenue for RV price	11 591 468 166	-929 560 908	12 521 029 073

Table 3 provide the range estimate for the opening RV Price for 2023/2024 season. The most likely estimate is **6 311**, within a range of low estimate of **6 269** and the estimate of **6 297**.

Table 3: Opening RV price for 2023/2024 season

	Low Estimate	Most Likely Estimate	High Estimate
Gross Sugar Production	2 100 000	2 054 054	2 000 000
RV % Cane	11,60%	11,80%	12,00%
Sugar: RV Ratio	92,00%	92,15%	92,30%
LMDE	1 513 668	1 513 668	1 513 668
Rebates (R)	250 000 000	225 000 000	200 000 000
RV Price	6 269,49	6 297,32	6 310,93
Notional Price Change 1	0,00%	0,00%	0,00%
Notional Price Change 2	0,00%	0,00%	0,00%
R/\$ Exchange Rate (Uncovered)	17	17,5	18
No.11 price (unpriced)	20	21	22
Molasses Price Increase %	0,00%	0,00%	0,00%