

SD-01-2023_2024

20 April 2023

APRIL RV PRICE for 2023/2024 SEASON

AVERAGE RV PRICE PER TON R 6 521,14

BASE PRICE OF CANE	
RV % CANE	AVG. PRICE Rand/Ton
9,5	619,51
10,0	652,11
10,5	684,72
11,0	717,32
11,5	749,93
12,0	782,54
12,5	815,14
13,0	847,75
13,5	880,35
14,0	912,96
14,5	945,56
15,0	978,17

Industry Average RV % Cane	11,95%
"d" factor	0,483462
SASRI Extension Levy	R 1,06
SASRI Levy - LSG Research	R 0,89

The RV price payable at the end of **APRIL 2023** in respect of **2023/2024** season cane deliveries up to the end of **MARCH 2023** was declared at **R6 521,14** per ton of RV. This represents an increase of **R1 086,07** when compared with the previous price (in respect of the final RV price for 2022/2023 season).

The increase was driven by the following:

- (a) higher sugar: RV ratio (92,47 % vs 90,33%),
- (b) the weaker weighted average R/\$ exchange rate (R18,37 vs R17,41),
- (c) the higher weighted average No.11 world market price (US24,36c/lb. vs. US23,88c/lb),
- (d) the higher volume of cane production estimate by 767 977 tons, which yielded an increase of 137 355 tons in sugar production
- (e) the increase in Local Market Proceeds by R3,6 billion because of zero carry-in and the latest Notional price increase of 3,3% implemented in March 2023.

The approved LMDE for the current season (2023/2024) is **1 513 669**, this will be closely monitored and adjusted accordingly based on the sales performance and local market dynamics.

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	18 679 386	767 977	17 911 409
Sugar: RV Ratio	92,47%	2,14%	90,33%
Gross Sugar Production	2 063 829	137 355	1 926 474
LMDE	1 513 669	263 993	1 249 676
RV Tons	2 231 941	99 224	2 132 718
#11 World Price (wt avg)	24,36	0,47	23,88
R/US\$ Ex Rate (wt avg)	18,37	0,96	17,41
RV Price	6 521,14	1 086,07	5 435,07
Change in Revenue	Latest	Difference	Previous
Rebates	205 970 299	16 500 091	189 470 208
Local Market Proceeds	17 170 910 775	3 592 793 281	13 578 117 494
Export Proceeds	5 519 544 805	-707 170 251	6 226 715 056
Molasses Proceeds	916 201 147	21 430 517	894 770 630
Redistribution Non-Payment Levy		0	
Industrial Costs	780 990 268	-216 670 901	997 661 169
Total Grower Revenue (64.3127% of NDP)	14 679 802 392	2 971 186 484	11 708 615 908
Grower Levy - Net	-124 989 281	-7 841 539	-117 147 742
Net Grower Revenue for RV price	14 554 813 111	2 963 344 945	11 591 468 166

Table 3 provides a range estimate for the final price for 2023/2024. The most likely estimate for 2023/2024 price is **R6 533** within a range of a low of **R6 472** and a high of **R6 555**.

Table 3: Range estimate for 2023/2024 RV Price

	Low Estimate	Most Likely Estimate	High Estimate
Gross Sugar Production	2 100 000	2 065 000	2 000 000
RV % Cane	11,95%	11,95%	11,95%
Sugar: RV Ratio	92,00%	92,50%	93,00%
LMDE	1 465 000	1 515 000	1 565 000
Rebates (R)	205 970 299	205 970 299	205 970 299
No.11 (% exposure)	100,0%	100,0%	100,0%
No.11 (wt.avg)	22,63	24,53	26,43
R/\$ (% uncovered)	100,00%	100,00%	100,00%
R/\$ (wt. Avg.)	18,2000	18,4000	18,6000
RV Price	6 471,53	6 532,89	6 554,71
Notional Price Change 1	0,00%	0,00%	0,00%
Notional Price Change 2	0,00%	0,00%	0,00%
R/\$ Exchange Rate (Uncovered)	18,20	18,40	18,60
No.11 price (unpriced)	22,00	24,00	26,00
Refined %	59,79%	59,79%	59,79%