

SD-02-2023_2024

18 May 2023

MAY RV PRICE for 2023/2024 SEASON

AVERAGE RV PRICE PER TON R 6 810,41

BASE PRICE OF CANE	
RV % CANE	AVG. PRICE Rand/Ton
9,5	646,99
10,0	681,04
10,5	715,09
11,0	749,15
11,5	783,20
12,0	817,25
12,5	851,30
13,0	885,35
13,5	919,41
14,0	953,46
14,5	987,51
15,0	1021,56

Industry Average RV % Cane	11,93%
"d" factor	0,492521
SASRI Extension Levy	R 1,13
SASRI Levy - LSG Research	R 0,91

The RV price payable at the end of **MAY 2023** in respect of **2023/2024** season cane deliveries up to the end of **APRIL 2023** was declared at **R6 810,41** per ton of RV. This represents an increase of **R289,27** when compared with the previous price (in respect of 2023/2024 season cane deliveries up to the end of March 2023). The increase was driven by the higher sugar: RV ratio (92,64 % vs 92,47%), the weaker weighted average R/\$ exchange rate (R18,78 vs R18,37), and the higher weighted average No.11 world market price (US27,50c/lb. vs. US24,36c/lb).

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	18 676 424	-2 962	18 679 386
Sugar: RV Ratio	92,64%	0,17%	92,47%
Gross Sugar Production	2 063 684	-145	2 063 829
LMDE	1 513 669	0	1 513 669
RV Tons	2 227 747	-4 194	2 231 941
#11 World Price (wt avg)	27,50	3,14	24,36
R/US\$ Ex Rate (wt avg)	18,78	0,41	18,37
RV Price	6 810,41	289,27	6 521,14
Change in Revenue	Latest	Difference	Previous
Rebates	205 970 299	0	205 970 299
Local Market Proceeds	17 170 910 775	0	17 170 910 775
Export Proceeds	6 493 243 691	973 698 886	5 519 544 805
Molasses Proceeds	906 387 913	-9 813 234	916 201 147
Industrial Costs	785 501 608	4 511 340	780 990 268
Total Grower Revenue (64.3127% of NDP)	15 296 801 915	616 999 523	14 679 802 392
Grower Levy - Net	-124 932 343	56 938	-124 989 281
Net Grower Revenue for RV price	15 171 869 572	617 056 461	14 554 813 111

Table 3 provides a range estimate for the final price for 2023/2024. The most likely estimate for 2023/2024 price is:

R6 754 within a range of a low of **R6 591** and a high of **R6 889**.

Table 3: Range estimate for 2023/2024 RV Price

	Low Estimate	Most Likely Estimate	High Estimate
Gross Sugar Production	2 100 000	2 060 000	2 000 000
RV % Cane	11,95%	11,95%	11,95%
Sugar: RV Ratio	92,20%	92,60%	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)	98,4%	98,2%	97,7%
No.11 (wt.avg)	26,14	27,15	28,19
R/\$ (% uncovered)	98,74%	98,74%	98,74%
R/\$ (wt.Avg.)	18,0085	18,5022	18,9959
RV Price	6 591,48	6 754,04	6 889,16
Notional Price Change 1	0,00%	0,00%	0,00%
Notional Price Change 2	0,00%	0,00%	0,00%
R/\$ Exchange Rate (Uncovered)	18,00	18,50	19,00
No.11 price (unpriced)	25,50	26,50	27,50
Refined %	59,79%	59,79%	59,79%