

SD-03-2023_2024

22 June 2023

JUNE RV PRICE for 2023/2024 SEASON

AVERAGE RV PRICE PER TON R 6 765,05

BASE PRICE OF CANE	
RV % CANE	AVG. PRICE Rand/Ton
9,5	642,68
10,0	676,51
10,5	710,33
11,0	744,16
11,5	777,98
12,0	811,81
12,5	845,63
13,0	879,46
13,5	913,28
14,0	947,11
14,5	980,93
15,0	1014,76

Industry Average RV % Cane	11,92%
"d" factor	0,501611
SASRI Extension Levy	R 1,22
SASRI Levy - LSG Research	R 0,93

The RV price payable at the end of **JUNE 2023** in respect of **2023/2024** season cane deliveries up to the end of **MAY 2023** was declared at **R6 765,05** per ton of RV. This represents a decrease of **R45,36** when compared with the previous price (in respect of 2023/2024 season cane deliveries up to the end of April 2023). The decrease was driven by the firmer weighted average R/\$ exchange rate (R18,67 vs R18,78), and the lower weighted average No.11 world market price (US26,64c/lb. vs. US27,50c/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	18 573 408	-103 016	18 676 424
Sugar: RV Ratio	92,65%	0,02%	92,64%
Gross Sugar Production	2 050 895	-12 789	2 063 684
LMDE	1 513 668	-1	1 513 669
RV Tons	2 213 520	-14 227	2 227 747
#11 World Price (wt avg)	26,64	-0,86	27,50
R/US\$ Ex Rate (wt avg)	18,67	-0,12	18,78
RV Price	6 765,05	-45,36	6 810,41
Change in Revenue	Latest	Difference	Previous
Rebates	206 046 895	76 596	205 970 299
Local Market Proceeds	17 170 834 179	-76 596	17 170 910 775
Export Proceeds	6 133 021 323	-360 222 368	6 493 243 691
Molasses Proceeds	959 958 681	53 570 768	906 387 913
Industrial Costs	785 501 608	0	785 501 608
Total Grower Revenue (64.3127% of NDP)	15 099 536 730	-197 265 185	15 296 801 915
Grower Levy - Net	-124 960 435	-28 092	-124 932 343
Net Grower Revenue for RV price	14 974 576 295	-197 293 277	15 171 869 572

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

R7 270 within a range of a low of **R7 142** and a high of **R7 390**.

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	11,92%	11,92%	11,92%
Sugar: RV Ratio	92,25%	92,65%	93,00%
LMDE	1 465 000	1 515 000	1 565 000
Rebates (R)	206 046 895	206 046 895	206 046 895
No.11 (% exposure)	84,4%	81,9%	77,3%
No.11 (wt.avg)	26,01	26,50	27,01
R/\$ (% uncovered)	73,98%	73,98%	73,98%
R/\$ (wt. Avg.)	18,4787	18,6637	18,8486
RV Price	7 142,16	7 269,71	7 389,84
Notional Price Change 1	13,85%	13,85%	13,85%
Notional Price Change 2	0,00%	0,00%	0,00%
R/\$ Exchange Rate (Uncovered)	18,00	18,25	18,50
No.11 price (unpriced)	25,50	26,00	26,50
Refined %	59,79%	59,79%	59,79%