

SD-06-2023_2024

21 September 2023

SEPTEMBER RV PRICE for 2023/2024 SEASON

AVERAGE RV PRICE PER TON R 7 443,08

BASE PRICE OF CANE	
RV % CANE	AVG. PRICE Rand/Ton
9,5	707,09
10,0	744,31
10,5	781,52
11,0	818,74
11,5	855,95
12,0	893,17
12,5	930,39
13,0	967,60
13,5	1004,82
14,0	1042,03
14,5	1079,25
15,0	1116,46

Industry Average RV % Cane	11,95%
"d" factor	0,504490
SASRI Extension Levy	R 1,23
SASRI Levy - LSG Research	R 0,94

The RV price payable at the end of **SEPTEMBER 2023** in respect of 2023/2024 season cane deliveries up to the end of **AUGUST 2023** was declared at **R7 443,08** per ton of RV. This represents an increase of **R115,75** per ton of RV when compared with the previous month declared RV price of **R7 327,33** per ton of RV. The increase was driven by the higher weighted average No.11 world market price (US28,8c/lb. vs. US26,54c/lb). The higher No. 11 world market price dominated the firmer weighted average R/\$ exchange rate (R19,11 vs R19,24).

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	18 569 423	-4 366	18 573 789
Sugar: RV Ratio	92,40%	-0,21%	92,61%
Gross Sugar Production	2 049 633	-3 420	2 053 053
LMDE	1 513 668	0	1 513 668
RV Tons	2 218 329	1 406	2 216 922
#11 World Price (wt avg)	28,80	2,26	26,54
R/US\$ Ex Rate (wt avg)	19,11	-0,13	19,24
RV Price	7 443,08	115,75	7 327,33
Change in Revenue	Latest	Difference	Previous
Rebates	222 531 307	20 116 585	202 414 722
Local Market Proceeds	18 995 464 249	-20 116 585	19 015 580 834
Export Proceeds	6 777 506 570	467 287 859	6 310 218 711
Molasses Proceeds	948 782 020	-11 163 467	959 945 487
Industrial Costs	773 152 944	20 689 418	752 463 526
Total Grower Revenue (64.3127% of NDP)	16 688 245 205	267 102 471	16 421 142 734
Grower Levy - Net	-177 065 221	-52 107 068	-124 958 153
Net Grower Revenue for RV price	16 511 179 984	214 995 403	16 296 184 581

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

R7 321 within a range of a low of **R7 446** and a high of **R7 553**.

Table 3: Range estimate for 2023/2024 RV Price

	Low Estimate	Most Likely Estimate	High Estimate
Gross Sugar Production	2 000 000	1 950 000	1 900 000
RV % Cane	11,95%	11,95%	11,95%
Sugar: RV Ratio	92,00%	92,40%	92,80%
LMDE	1 470 000	1 515 000	1 560 000
Rebates (R)	222 531 307	222 531 307	222 531 307
No.11 (% exposure)	64,5%	56,7%	44,6%
No.11 (wt.avg)	27,80	28,47	29,24
R/\$ (% uncovered)	64,17%	64,17%	64,17%
R/\$ (wt. Avg.)	18,8940	19,2149	19,5357
RV Price	7 321,12	7 445,74	7 552,78
Notional Price Change 1 (June 2023)	13,85%	13,85%	13,85%
Notional Price Change 2	0,00%	0,00%	0,00%
R/\$ Exchange Rate (Uncovered)	18,50	19,00	19,50
No.11 price (unpriced)	26,00	26,50	27,00
Refined %	59,79%	59,79%	59,79%