

SD-07-2023_2024

19 October 2023

OCTOBER RV PRICE for 2023/2024 SEASON

AVERAGE RV PRICE PER TON R 7 457,06

BASE PRICE OF CANE	
RV % CANE	AVG. PRICE Rand/Ton
9,5	708,42
10,0	745,71
10,5	782,99
11,0	820,28
11,5	857,56
12,0	894,85
12,5	932,13
13,0	969,42
13,5	1006,70
14,0	1043,99
14,5	1081,27
15,0	1118,56

Industry Average RV % Cane	11,97%
"d" factor	0,508470
SASRI Extension Levy	R 1,22
SASRI Levy - LSG Research	R 0,96

The RV price payable at the end of **OCTOBER 2023** in respect of 2023/2024 season cane deliveries up to the end of **SEPTEMBER 2023** was declared at **R7 457,06** per ton of RV. This represents an increase of **R13,98** per ton of RV when compared with the previous month declared RV price of **R7 443,08** per ton of RV. The increase was driven by the higher RV% cane (11,97 vs 11,95) and a decline in cane production which resulted in a lower RV tonnage. This dominated the lower weighted average No.11 world market price (US28,73c/lb. vs. US28,80c/lb) and the firmer weighted average R/\$ exchange rate (R19,10 vs R19,11).

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	18 465 095	-104 328	18 569 423
Sugar: RV Ratio	92,66%	0,27%	92,40%
Gross Sugar Production	2 047 823	-1 810	2 049 633
LMDE	1 513 668	0	1 513 668
RV Tons	2 209 991	-8 338	2 218 329
#11 World Price (wt avg)	28,73	-0,07	28,80
R/US\$ Ex Rate (wt avg)	19,10	-0,02	19,11
RV Price	7 457,06	13,98	7 443,08
Change in Revenue	Latest	Difference	Previous
Rebates	222 531 307	0	222 531 307
Local Market Proceeds	18 995 464 249	0	18 995 464 249
Export Proceeds	6 729 886 415	-47 620 155	6 777 506 570
Molasses Proceeds	945 526 658	-3 255 362	948 782 020
Industrial Costs	770 693 358	-2 459 586	773 152 944
Total Grower Revenue (64.3127% of NDP)	16 657 107 612	-31 137 591	16 688 245 204
Grower Levy - Net	-177 074 160	-52 069 105	-125 005 055
Net Grower Revenue for RV price	16 480 033 452	-83 206 696	16 563 240 149

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

R7 480 within a range of a low of **R7 375** and a high of **R7 569**.

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	11,97%	11,97%	11,97%
Sugar: RV Ratio	92,40%	92,70%	93,00%
LMDE	1 470 000	1 515 000	1 560 000
Rebates (R)	222 531 307	222 531 307	222 531 307
No.11 (% exposure)	63,4%	55,4%	42,9%
No.11 (wt.avg)	28,15	28,67	29,28
R/\$ (% uncovered)	63,97%	63,97%	63,97%
R/\$ (wt. Avg.)	18,8962	19,2160	19,5359
RV Price	7 374,67	7 479,77	7 569,13
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)	26,50	26,80	27,00
Refined %	59,79%	59,79%	59,79%