

SD-08-2023_2024

17 November 2023

NOVEMBER RV PRICE for 2023/2024 SEASON

AVERAGE RV PRICE PER TON R 7 492,61

BASE PRICE OF CANE	
RV % CANE	AVG. PRICE Rand/Ton
9,5	711,80
10,0	749,26
10,5	786,72
11,0	824,19
11,5	861,65
12,0	899,11
12,5	936,58
13,0	974,04
13,5	1011,50
14,0	1048,96
14,5	1086,43
15,0	1123,89

Industry Average RV % Cane	11,99%
"d" factor	0,508278
SASRI Extension Levy	R 1,23
SASRI Levy - LSG Research	R 0,97

The RV price payable at the end of **NOVEMBER 2023** in respect of 2023/2024 season cane deliveries up to the end of **OCTOBER 2023** was declared at **R7 492,61** per ton of RV. This represents an increase of **R35,55** per ton of RV when compared with the previous month declared RV price of **R7 457,06**. The increase was driven by the higher weighted average No.11 world market price (US29,30c/lb. vs. US28,73c/lb), the higher RV% cane (11,99 vs 11,97), and a decline in cane production which resulted in a lower RV tonnage. This dominated the firmer weighted average R/\$ exchange rate (R18,95 vs R19,10) and the prior season sales adjustments which resulted in a decline in Local Market proceeds by R87 million.

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	18 274 339	-190 756	18 465 095
Sugar: RV Ratio	92,74%	0,07%	92,66%
Gross Sugar Production	2 031 927	-15 896	2 047 823
LMDE	1 506 515	-7 153	1 513 668
RV Tons	2 191 079	-18 912	2 209 991
#11 World Price (wt avg)	29,30	0,57	28,73
R/US\$ Ex Rate (wt avg)	18,95	-0,15	19,10
RV Price	7 492,61	35,55	7 457,06
Change in Revenue	Latest	Difference	Latest
Rebates	222 140 043	-391 264	222 531 307
Local Market Proceeds	18 908 384 228	-87 080 021	18 995 464 249
Export Proceeds	6 718 373 577	-11 512 838	6 729 886 415
Molasses Proceeds	934 303 717	-11 222 941	945 526 658
Industrial Costs	758 969 973	-11 723 385	770 693 358
Total Grower Revenue (64.3127% of NDP)	16 594 021 732	-63 085 881	16 657 107 612
Grower Levy - Net	-177 129 859	-55 699	-177 074 160
Net Grower Revenue for RV price	16 416 891 873	-63 141 580	16 480 033 452

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

R7 509 within a range of a low of **R7 380** and a high of **R7 585**.

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	11,99%	11,99%	11,99%
Sugar: RV Ratio	92,50%	92,75%	93,00%
LMDE	1 470 000	1 515 000	1 560 000
Rebates (R)	222 140 043	222 140 043	222 140 043
No.11 (% exposure)	53,9%	43,8%	28,2%
No.11 (wt.avg)	28,33	29,39	29,92
R/\$ (% uncovered)	54,23%	54,23%	54,23%
R/\$ (wt. Avg.)	18,6786	18,9497	19,2209
RV Price	7 379,79	7 508,82	7 584,97
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)	18,00	18,50	19,00
No.11 price (unpriced)	26,50	28,00	28,50
Refined %	59,79%	59,79%	59,79%