

SD-10-2023_2024

18 January 2023

JANUARY RV PRICE for 2023/2024 SEASON

AVERAGE RV PRICE PER TON R 7 344,09

BASE PRICE OF CANE	
RV % CANE	AVG. PRICE Rand/Ton
9,5	697,69
10,0	734,41
10,5	771,13
11,0	807,85
11,5	844,57
12,0	881,29
12,5	918,01
13,0	954,73
13,5	991,45
14,0	1028,17
14,5	1064,89
15,0	1101,61

Industry Average RV % Cane	12,05%
"d" factor	0,504583
SASRI Extension Levy	R 1,24
SASRI Levy - LSG Research	R 0,98

The RV price payable at the end of **JANUARY 2024** in respect of **2023/2024** season cane deliveries up to the end of **DECEMBER 2023** was declared at **R7 344,09** per ton of RV. This represents a decrease of **R48,01** per ton of RV when compared with the previous month declared RV price of **R7 392,09** per ton of RV. The decrease was mainly driven by the lower weighted average No.11 world market price (US26,94c/lb. vs. US27,71c/lb) and the firmer weighted average R/\$ exchange rate (R19,13 vs R19,19).

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	17 943 536	-1 462	17 944 998
Sugar: RV Ratio	92,56%	0,01%	92,55%
Gross Sugar Production	2 001 453	5 272	1 996 181
LMDE	1 506 515	0	1 506 515
RV Tons	2 162 258	5 364	2 156 894
#11 World Price (wt avg)	26,94	-0,77	27,71
R/US\$ Ex Rate (wt avg)	19,13	-0,07	19,19
RV Price	7 344,09	-48,01	7 392,09
Change in Revenue	Latest	Difference	Latest
Rebates	219 090 795	-3 049 248	222 140 043
Local Market Proceeds	18 911 433 477	3 049 249	18 908 384 228
Export Proceeds	5 858 753 251	-127 928 596	5 986 681 847
Molasses Proceeds	951 497 017	18 557 115	932 939 902
Industrial Costs	754 003 384	-7 199 243	761 202 627
Total Grower Revenue (64.3127% of NDP)	16 057 389 368	-63 748 671	16 121 138 038
Grower Levy - Net	-177 578 636	-404 979	-177 173 657
Net Grower Revenue for RV price	15 879 810 732	-64 153 650	15 943 964 381

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

R7 354 within a range of a low of **R7 330** and a high of **R7 461**.

Table 3: Range estimate for 2023/2024 RV Price

	Low Estimate	Most Likely Estimate	High Estimate
Gross Sugar Production	2 000 000	2 000 000	2 000 000
RV % Cane	12,05%	12,05%	12,05%
Sugar: RV Ratio	92,56%	92,56%	93,56%
LMDE	1 505 000	1 515 000	1 525 000
Rebates (R)	219 090 975	219 090 975	219 090 975
No.11 (% exposure)	40,3%	39,1%	37,8%
No.11 (wt.avg)	26,64	26,95	27,24
R/\$ (% uncovered)	36,35%	36,35%	36,35%
R/\$ (wt. Avg.)	19,1849	19,1849	19,2576
RV Price	7 330,42	7 353,56	7 461,37
Notional Price Change 1 (June 2023)	13,85%	13,85%	13,85%
Notional Price Change 2 (6 March 2024)	0,00%	0,00%	0,00%
R/\$ Exchange Rate (Uncovered)	18,80	18,80	19,00
No.11 price (unpriced)	21,50	22,00	22,50
Refined %	59,79%	59,79%	59,79%