

SD-11-2023_2024

15 February 2024

FEBRUARY RV PRICE for 2023/2024 SEASON

AVERAGE RV PRICE PER TON R 7 426,88

BASE PRICE OF CANE	
RV % CANE	AVG. PRICE Rand/Ton
9,5	705,55
10,0	742,69
10,5	779,82
11,0	816,96
11,5	854,09
12,0	891,23
12,5	928,36
13,0	965,49
13,5	1002,63
14,0	1039,76
14,5	1076,90
15,0	1114,03

Industry Average RV % Cane	12,05%
"d" factor	0,502716
SASRI Extension Levy	R 1,22
SASRI Levy - LSG Research	R 0,98

The RV price payable at the end of **FEBRUARY 2024** in respect of **2023/2024** season cane deliveries up to the end of **JANUARY 2024** was declared at **R7 426,88** per ton of RV. This represents an increase of **R82,79** per ton of RV when compared with the previous month declared RV price of **R7 344,09** per ton of RV. The increase was mainly driven by the higher weighted average No.11 world market price (US28,03c/lb. vs. US26,94c/lb) and the weaker weighted average R/\$ exchange rate (R19,19 vs R19,13).

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	17 943 548	12	17 943 536
Sugar: RV Ratio	92,62%	0,06%	92,56%
Gross Sugar Production	2 003 381	1 928	2 001 453
LMDE	1 506 515	0	1 506 515
RV Tons	2 163 016	758	2 162 258
#11 World Price (wt avg)	28,03	1,09	26,94
R/US\$ Ex Rate (wt avg)	19,19	0,07	19,13
RV Price	7 426,88	82,79	7 344,09
Change in Revenue	Latest	Difference	Latest
Rebates	219 229 642	138 847	219 090 795
Local Market Proceeds	18 911 294 630	-138 847	18 911 433 477
Export Proceeds	6 135 120 761	276 367 510	5 858 753 251
Molasses Proceeds	951 241 614	-255 403	951 497 017
Industrial Costs	742 860 671	-11 142 713	754 003 384
Total Grower Revenue (64.3127% of NDP)	16 242 041 402	184 652 035	16 057 389 367
Grower Levy - Net	-177 578 638	-2	-177 578 636
Net Grower Revenue for RV price	16 064 462 763	184 652 032	15 879 810 731

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

R7 435 within a range of a low of **R7 403** and a high of **R7 546**.

Table 3: Range estimate for 2023/2024 RV Price

	Low Estimate	Most Likely Estimate	High Estimate
Gross Sugar Production	2 003 381	2 003 381	2 003 381
RV % Cane	12,05%	12,05%	12,05%
Sugar: RV Ratio	92,62%	92,62%	93,62%
LMDE	1 505 000	1 515 000	1 525 000
Rebates (R)	219 229 642	219 229 642	219 229 642
No.11 (% exposure)	29,7%	28,3%	26,8%
No.11 (wt.avg)	27,85	28,08	28,30
R/\$ (% uncovered)	31,82%	31,82%	31,82%
R/\$ (wt. Avg.)	19,0674	19,2265	19,3856
RV Price	7 403,46	7 435,42	7 546,38
Notional Price Change 1 (June 2023)	13,85%	13,85%	13,85%
Notional Price Change 2 (6 March 2024)	5,20%	5,20%	5,20%
R/\$ Exchange Rate (Uncovered)	18,50	19,00	19,50
No.11 price (unpriced)	23,50	24,00	24,50
Refined %	59,79%	59,79%	59,79%

Opening RV Price forecast for 2024/2025 season

	Low Estimate	Most Likely Estimate	High Estimate
Gross Sugar Production	2 050 000	2 000 000	1 950 000
RV % Cane	11,80%	12,00%	12,20%
Sugar: RV Ratio	92,00%	92,50%	93,00%
LMDE	1 460 000	1 487 130	1 500 000
Rebates (R)	250 000 000	225 000 000	200 000 000
RV Price	7 459,97	7 539,92	7 582,63
Notional Price Change 1	5,20%	5,20%	5,20%
Notional Price Change 2	0,00%	0,00%	0,00%
R/\$ Exchange Rate (Uncovered)	17,5	18	18,5
No.11 price (unpriced)	21	22	23
Molasses Price Increase %	5,2%	5,2%	5,2%