



MAIZE MARKET REPORT

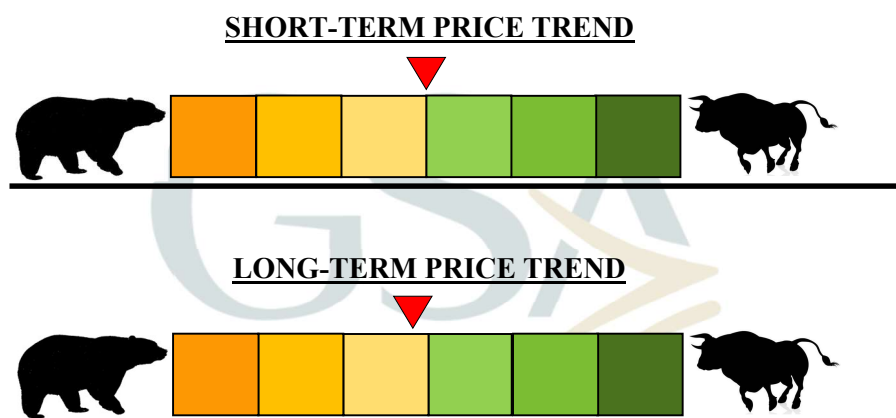
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International & local market trends

Bearish and Bullish Factors



Bullish Factors

Declining U.S. acreage & lower production forecast — The May 2026 WASDE projects U.S. maize ending stocks to decline by 185 million bushels to 1.957 billion, driven by lower production, tightening the domestic balance sheet.

Soaring fertiliser costs curbing yields — The Strait of Hormuz disruption has pushed fertiliser prices up more than 30% in 2026, with urea potentially climbing nearly 60%, making maize — heavily reliant on urea-based nitrogen fertilisers — particularly exposed to yield reductions.

Geopolitical risk premium from Strait of Hormuz — Maize futures rose to nearly \$4.60/bushel, a 9-month high, as soaring crude prices related to the escalating US-Israeli conflict with Iran threatened to tighten agricultural supply. Oil prices exceeded \$100/barrel, increasing production, freight, and fertiliser costs.

Strong export demand — The U.S. is seeing brisk maize export sales at a time when exports are not usually that high, with the country exporting at a highly elevated level — a positive sign for prices

El Niño risk to Southern Hemisphere yields — NOAA reports a 62% probability of an El Niño event developing by mid-2026, which historically has significantly affected maize yields across multiple continents, potentially disrupting South American production.

Bearish Factors

Record-high global inventories — Record maize inventories and strong planting progress are weighing on prices, with rallies repeatedly failing to hold over the past year.

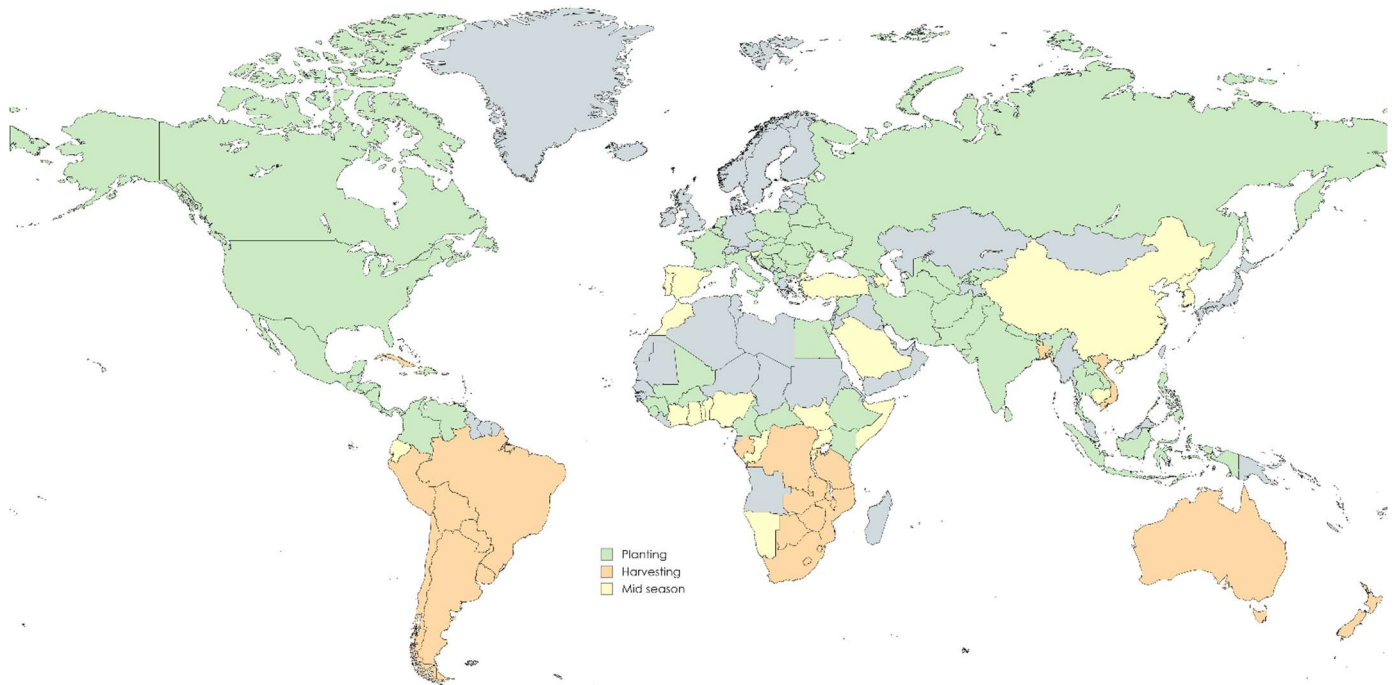
Brazil heading for another record crop — Brazil maize production in 2026/27 is forecast to reach a new record at 139 million tons, adding persistent supply pressure to global markets

Prices are still far below production breakeven — National breakeven yields for maize are 35% above the current yield expectation, meaning even with year-over-year price increases, farmers remain under significant margin pressure.

Grains-to-urea affordability at a historic low — Fertiliser-to-crop price ratios were already at historically poor levels before the Hormuz crisis, with current maize prices of \$155–\$165/MT making high DAP prices of \$700–\$750/MT far less affordable than in 2022.

Projected farm price rise insufficient — Historical price movements suggest new crop prices tend to fall 5–10% between the release of the May WASDE and harvest, limiting the durability of any near-term rally.

International Production



Comments on El Niño:

The ENSO cycle remained neutral throughout most of May, but as the tropical Pacific continues to warm, the likelihood of a transition into El Niño this winter increases. El Niño conditions are confidently forecast from mid-2026 to early 2027 by the UCSB Climate Hazards Centre.

Crop Conditions Commentary

Country Current situation

Brazil The harvest of the spring-planted crop (the smaller season) is progressing under mostly exceptional conditions. The summer-planted crop (the larger season) is generally in favourable condition; however, a lack of rainfall and high temperatures are negatively affecting crops in the Southeast region.

Argentina The harvest of early-planted crops slows as focus shifts to soybeans, while late-planted crops continue through the grain-filling stage under favourable conditions.

India The Rabi crop harvest is concluding positively, while Indonesia continues wet-season harvesting and begins planting the dry-season crop.

Mexico The conditions are favourable for the autumn-winter season.

China Planting of spring maize is continuing throughout the country.

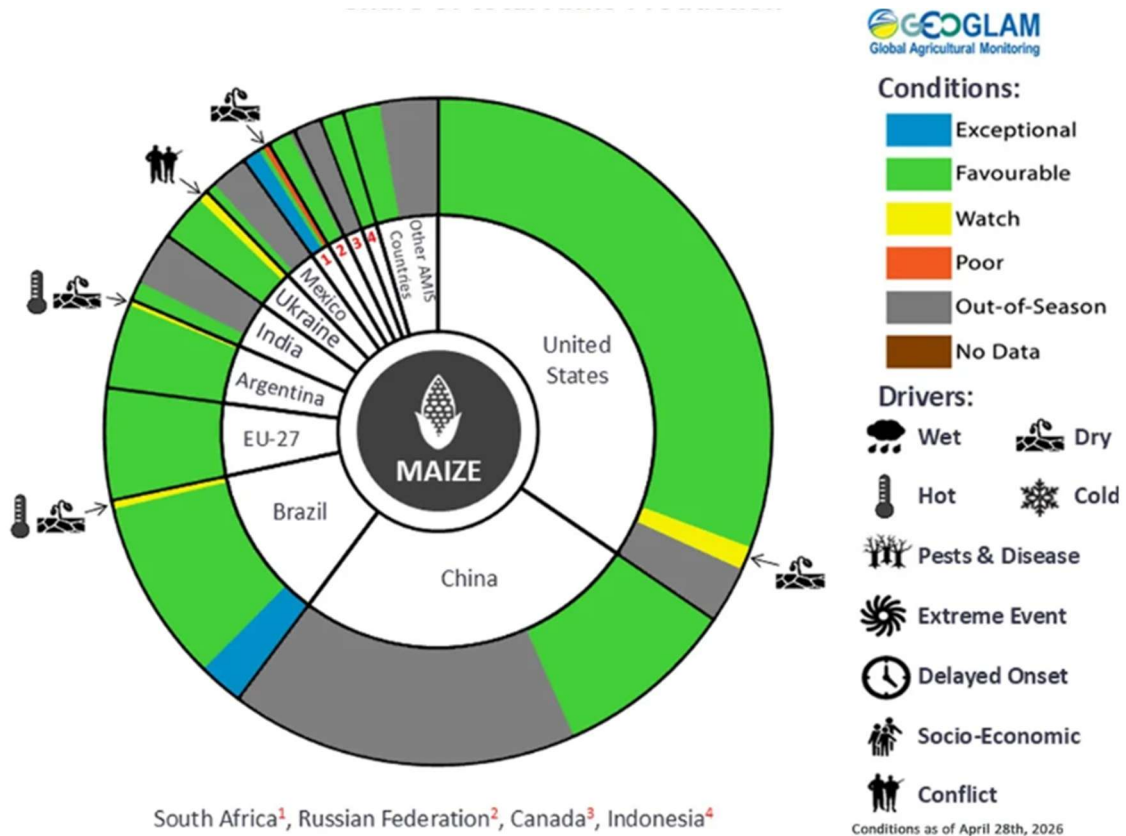
EU Planting is ongoing under favourable conditions.



Country Current situation

Russi Planting Started

USA The planting is progressing, albeit with lower planted hectares.



Source: Geoglam Crop Monitor for AMIS report May Edition

Supply and Demand (WASDE)

World Agricultural Supply and Demand (WASDE) May 2026/2027 Overview

Beginning stocks	<u>World:</u>	Ending stocks
296.95 mil. tons		277.54 mil. tons
Stock-to-use percentage: 22.59%; three-year-average: 23.39%		
	<u>United States:</u>	
54.41 mil. tons		49.71 mil. tons
Stock-to-use percentage: 16.41%; three-year-average: 14.19%		



Everything has been done to ensure the accuracy of this information; however, Grain SA takes no responsibility for any losses or damage incurred due to the usage of this information.



Stock-to-use percentage: 11.94%; three-year-average: 13.84%



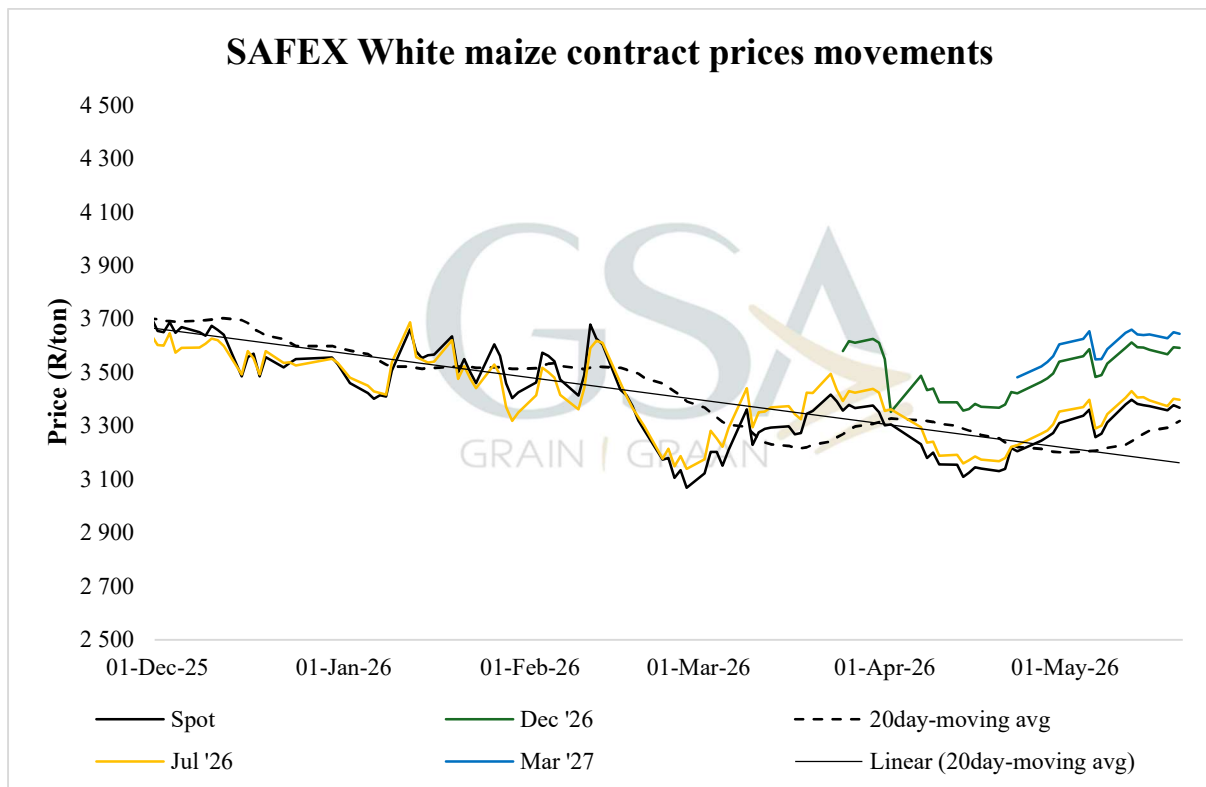
Stock-to-use percentage: 22.02%; three-year-average: 22.23%

*Below the normal stock-to-use level, prices tend to react sharply in the market environment. By comparing current-year stock-to-use percentages to the norm, an indication of the direction of price trends can be inferred.

Local Market

Price Movements

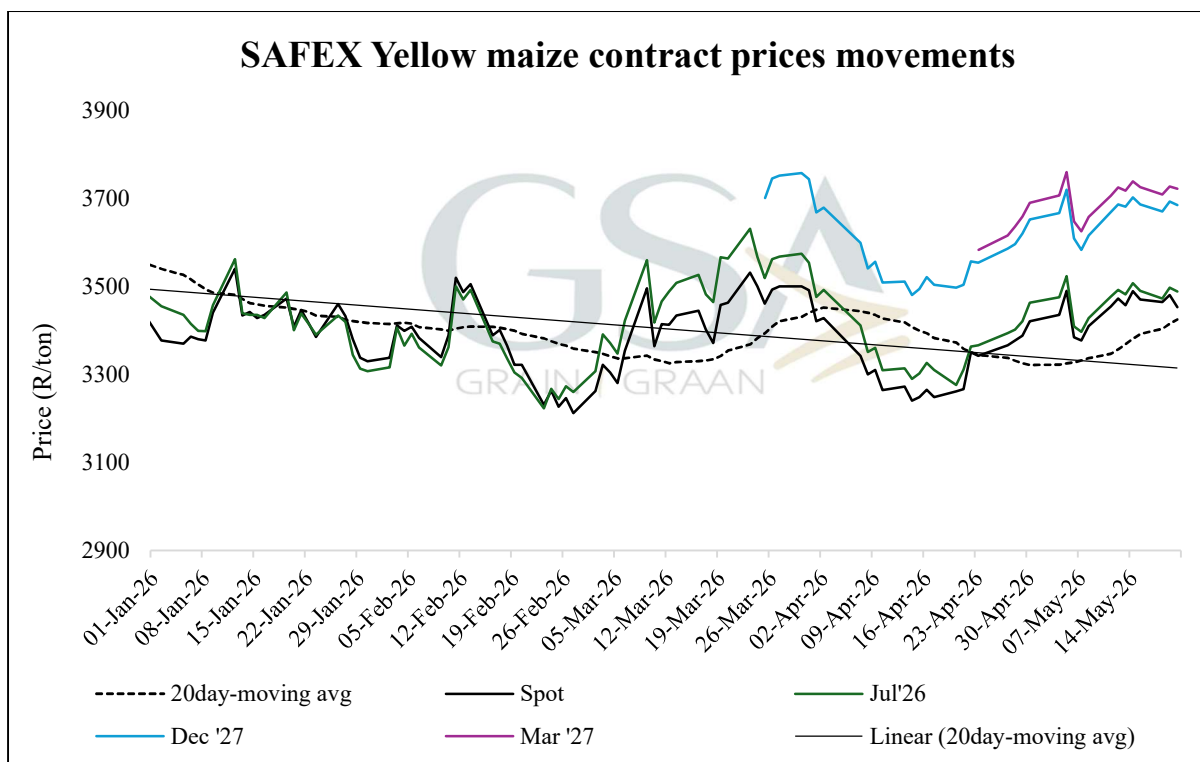
White Maize



The spot price has been steadily decreasing since last year, due to the increase in local and global supply. The current harvest is also progressing well, with record figures expected for this season, putting further strain on local SAFEX prices. However, geopolitical tensions and supply disruptions have lent some support to international prices. Exports have also started to pick up locally, which may lend further support to local SAFEX prices. The spot month contract price is currently trading around R 200/t below the December 2026 contract price, which may indicate some price support towards the end of the year.

Yellow Maize



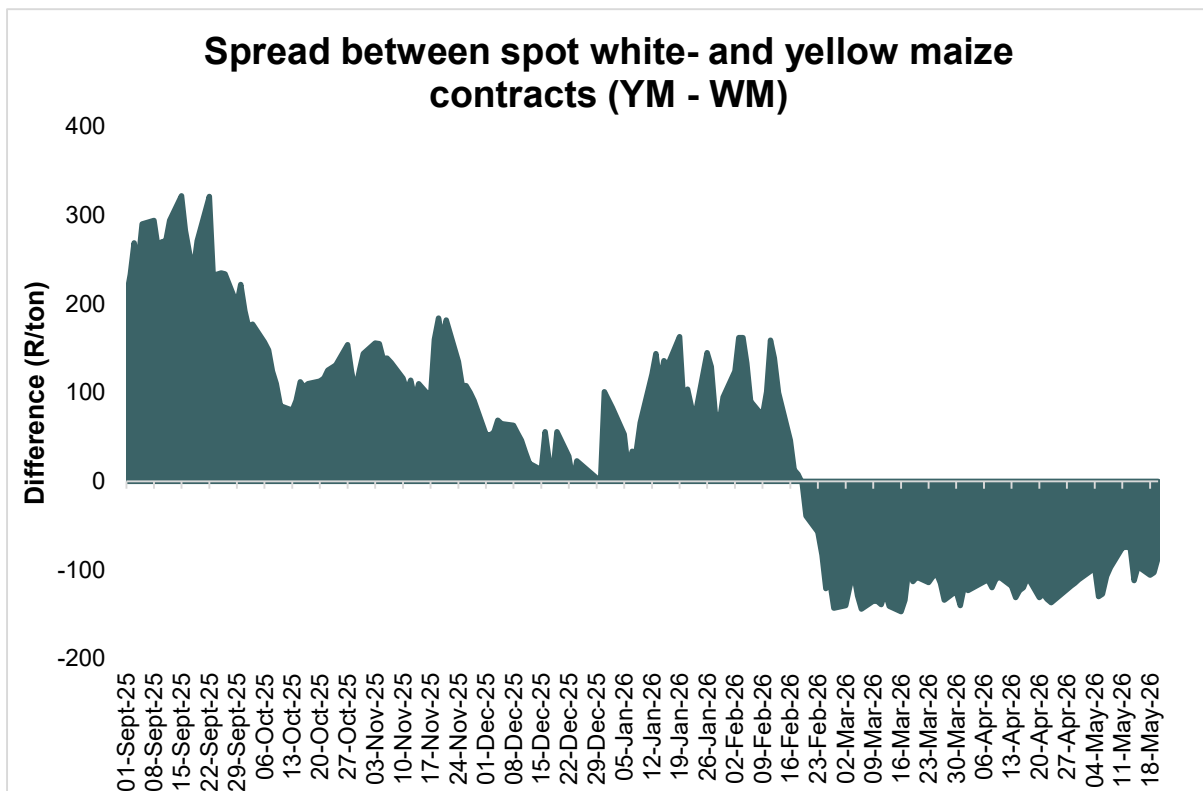


Over the past month, the spot price of yellow maize has shown an upward trend, primarily due to the current trading of yellow maize at export parity. Fluctuations in the exchange rate and fuel prices contributed to global supply chain disruptions and increases in freight rates, leading to export parity prices being supported. However, the oversupply from the previous season's harvest continues to exert pressure on local SAFEX prices, resulting in a more stable, horizontal range for the spot price.

The December contract price is currently R 200/t higher than the spot price, which may be an indicator of some price support towards the end of the year.



Spot Price Comparison

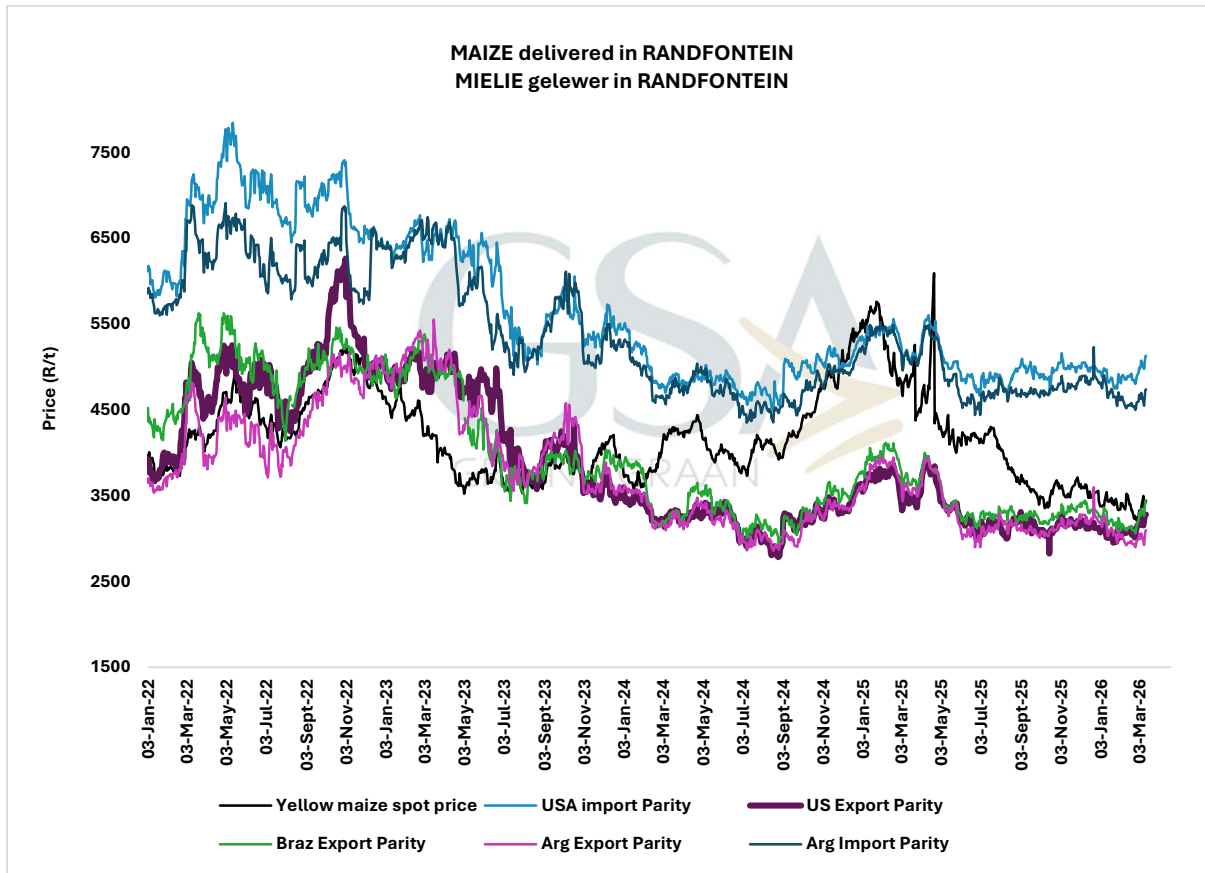


Since mid-February, the price of white maize has fallen below that of yellow maize, primarily due to an oversupply of white maize. This situation creates an opportunity for animal feed manufacturers to purchase white maize instead of yellow maize, effectively establishing an additional market for the surplus white maize stocks.



International vs Local Markets

Parity Prices



The current price of yellow maize is being pressured by a high supply in the market. Yellow maize is trading at export parity.

