

MAIZE



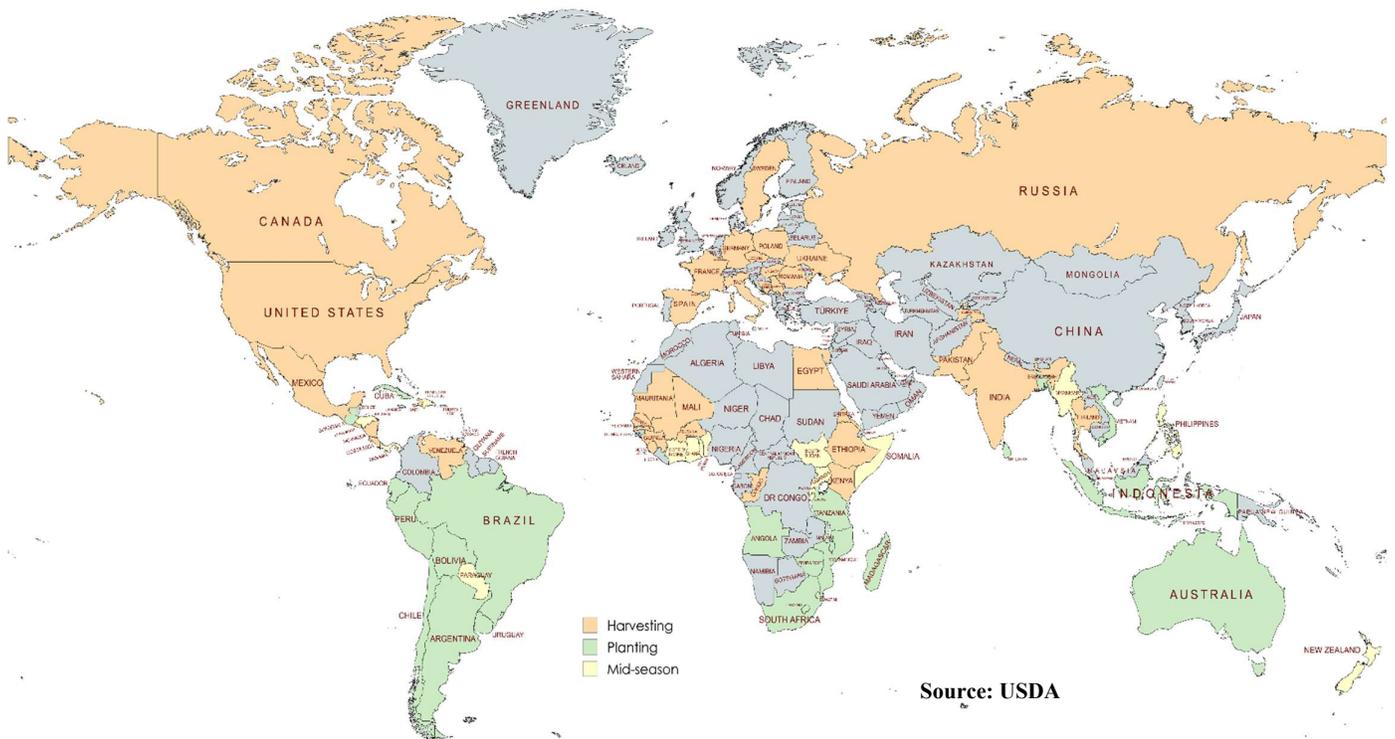
NOVEMBER 2024
Grain Market Outlook

Table of contents:

1. World maize production.....1
2. World supply and demand (WASDE).....2
3. Monthly contract movements.....3
 - 3.1. Spread between maize contracts.....3
4. Final thoughts.....5

This report was compiled by the applied economics team of Grain SA. If you would like any further information, or to be added to the monthly contact list, please feel free to contact Heleen Viljoen at heleen@grainsa.co.za.

1. World maize production

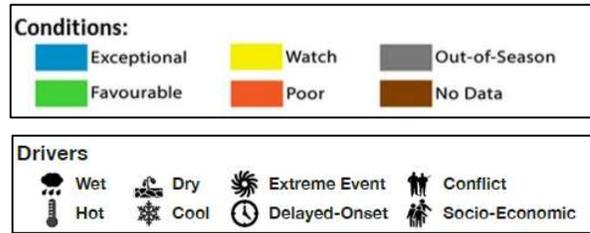
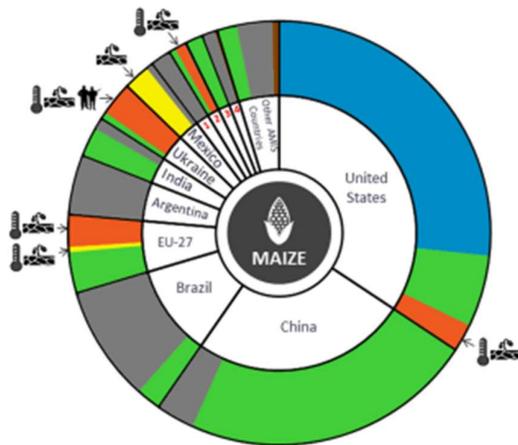


Global crop production conditions

In the **Southern hemisphere**, planting is rapidly progressing in Brazil, planting has started in Argentina and South Africa. In the **Northern Hemisphere**, crop conditions are optimal in North America and unfavourable in Southeastern Europe as harvest progresses.

Comments on El Niño: La Niña conditions are likely to develop over the next several months. The CPC/IRI forecasts a 71 to 75 per cent chance of La Niña from October 2024 to February 2025. If La Niña does develop, it is expected to be weak and short-lived, with a return to ENSO-neutral conditions likely by March 2025.

¹International Research Institute for Climate and Society



South Africa³, Russian Federation², Canada¹, Indonesia⁴

Source: Geoglam

Conditions as of October 28th, 2024

Brazil: The planting of the spring-planted crop (smaller season) is progressing under favourable conditions.

Mexico: October rainfall continues to support the development of the spring-summer crop, however, earlier dryness remains a concern.

China: Harvest is nearing completion with favourable conditions.

United States: Harvesting is progressing faster than normal under mostly exceptional conditions except in the minor producing regions of the East Coast. There are small areas where conditions are poor due to dry conditions.

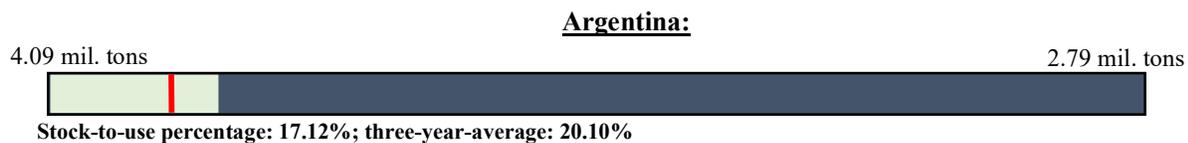
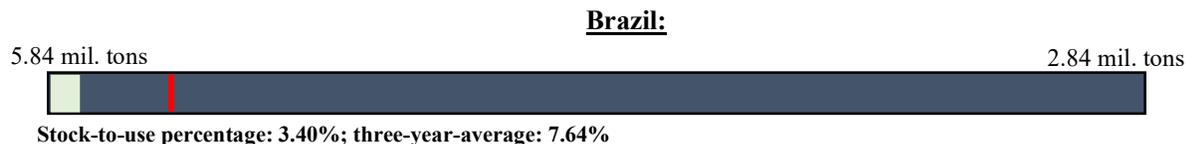
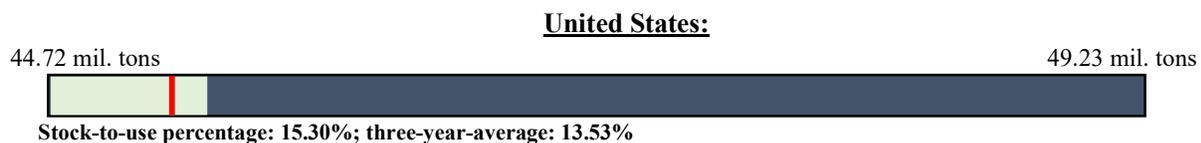
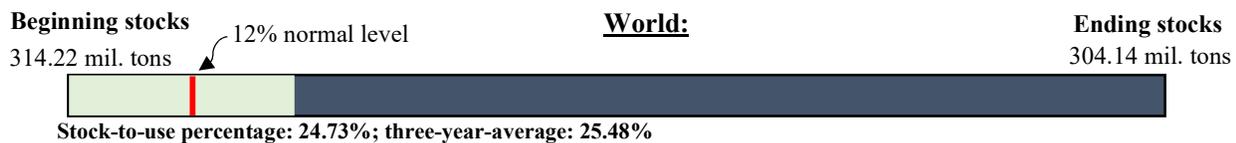
India: Conditions are favourable for the Kharif crop as harvest progresses.

Canada: The yields are above average in Manitoba and Ontario as harvesting wraps up.

EU: Harvest is concluding with poor results in south-eastern countries, due to in-season hot and dry weather.

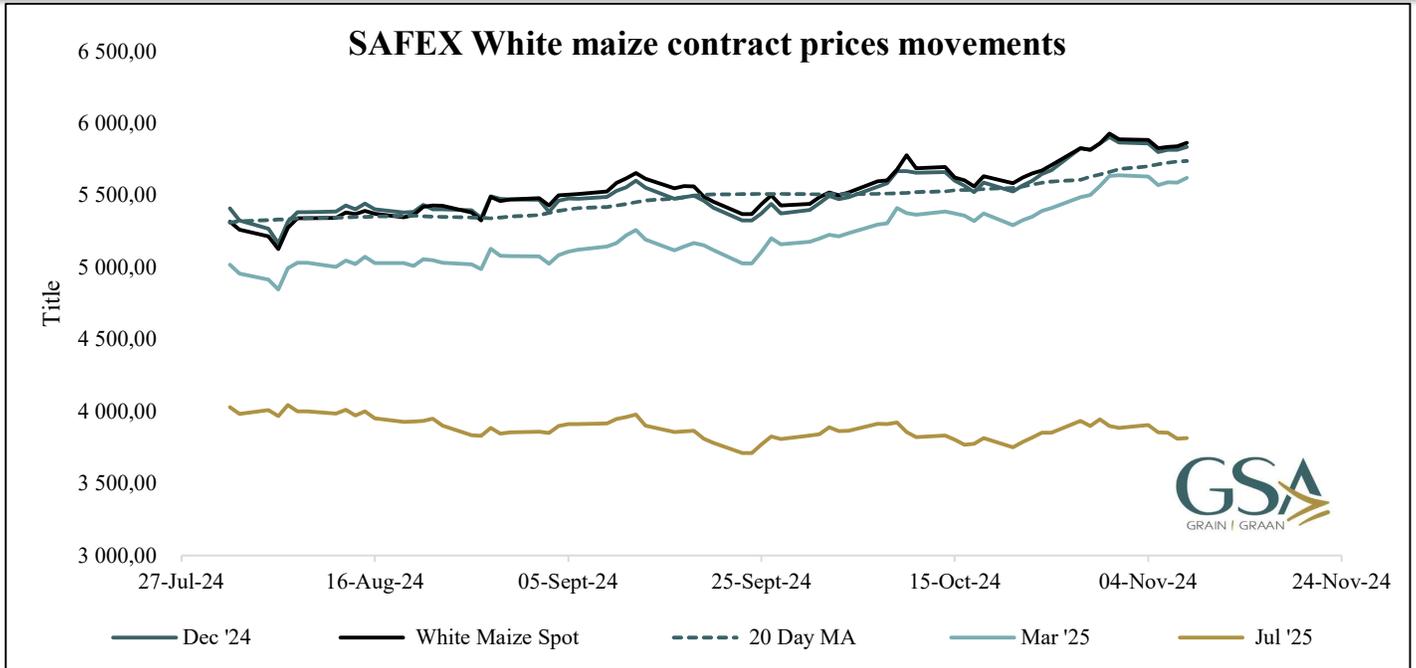
2. World supply and demand

2.1. World Agricultural Supply and Demand (WASDE) NOVEMBER 2024/2025 Overview



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 can be concluded regarding the direction of price trends.

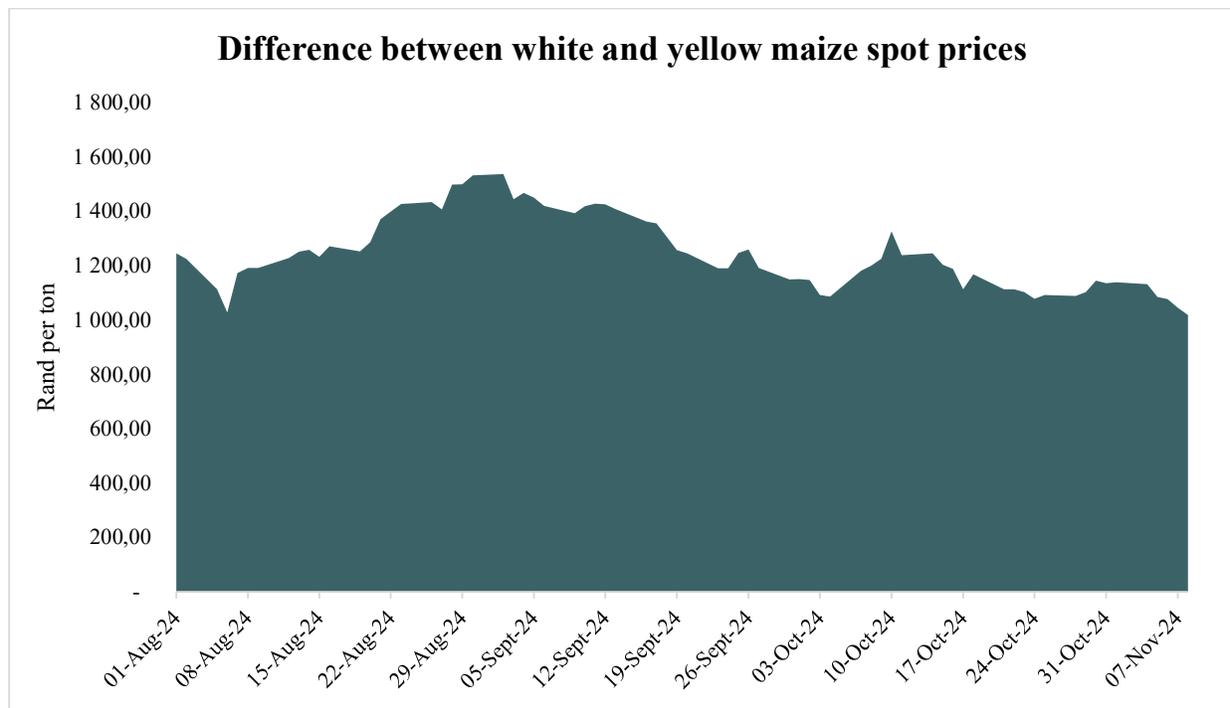
3. Monthly contract price movements (white maize)



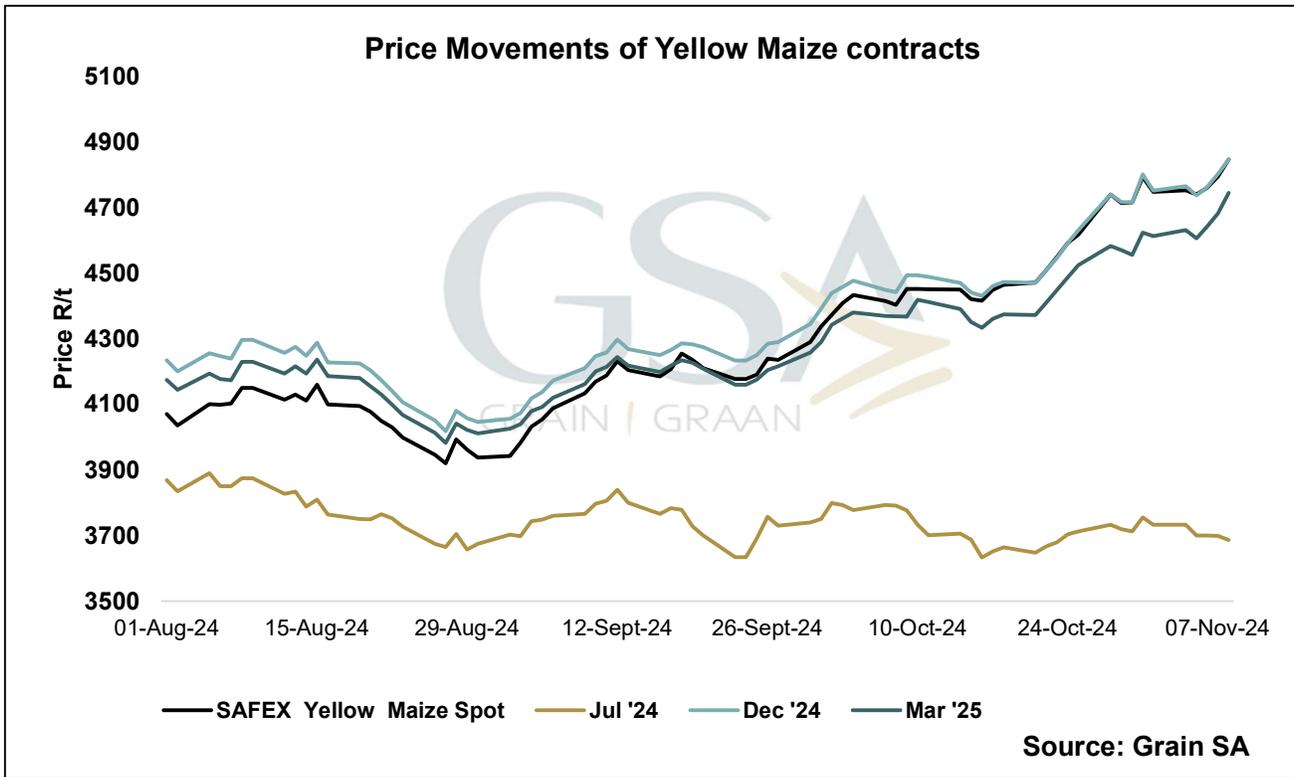
Comments on market movements for maize contracts:

Generally, maize prices traded with a sideways, slightly upward trend since the end of July. This trend has however gained momentum during October. Over the past few months, maize prices have been generally increasing. Producers must take note of the R2 052/ton lower price for the white maize July 2025 contract, which hints at higher planted hectares and production.

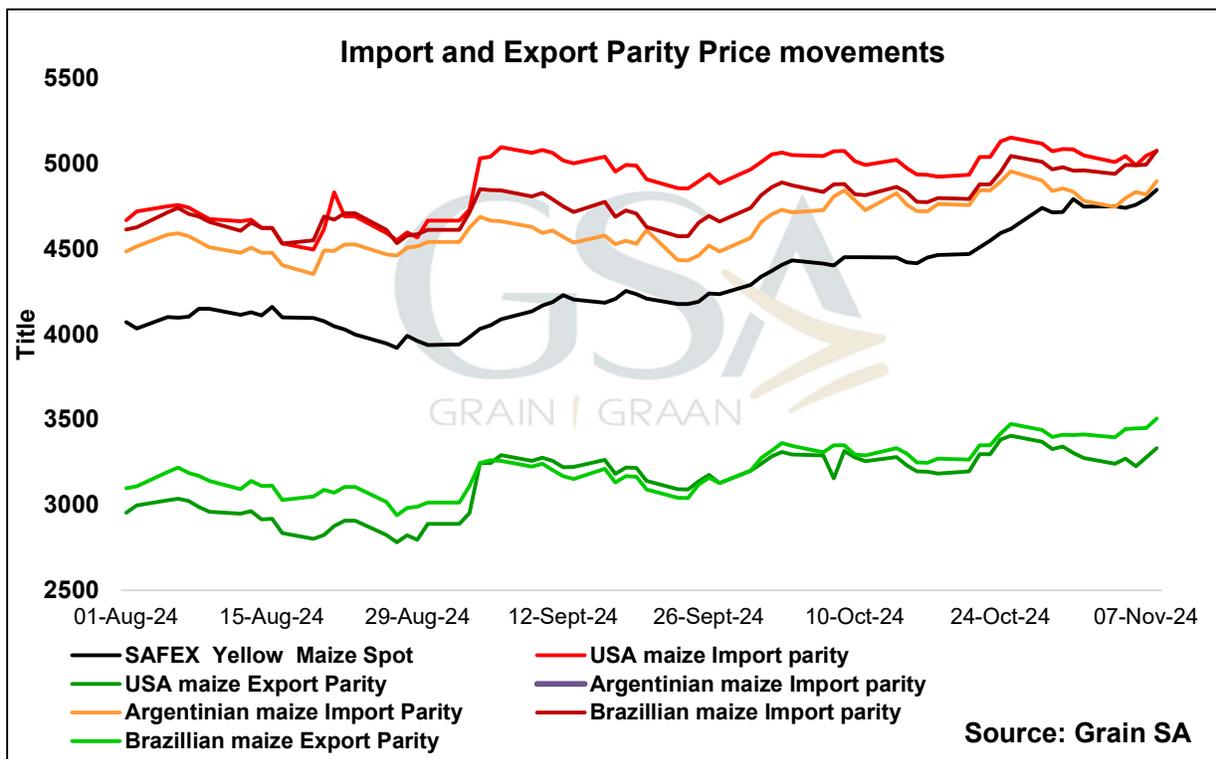
Spot price comparison of yellow- and white maize (YM – WM)



3. Monthly contract price movements (Yellow maize)



3.1. Import- and export parity movements



4. Final thoughts

As harvests in the Northern Hemisphere are wrapping up, the US reports exceptional yields and the market shifts their focus to production conditions in the Southern Hemisphere. Competitive and therefore firm US exports provide near-term support, while comfortable global supply forecasts limit price rises long term.



Bearish factors:

- Excellent crop conditions in the US could apply pressure to the global market prices and increase export demand.
- Looking at the next season, SAFEX white maize contracts are trading at a significantly lower price than old season prices, which could apply downward pressure in the future.
- Ample global supplies could apply pressure to prices in the longer-term.

Bullish factors:

- Lower maize production in South Africa supports prices. White maize prices are especially supported by higher demand for exports from neighbouring countries.

Grain SA's estimates for South Africa's supply and demand can be found at:

https://www.grainsa.co.za/upload/report_files/Summergrain-SnD_Oct-2024.pdf

This report was compiled by the applied economics team of Grain SA. If you would like any further information, feel free to contact Heleen Viljoen at heleen@grainsa.co.za.

Best regards,

Grain SA economy team

Second floor | Alenti Office Park | Lynnwood Road | Pretoria East

