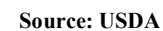


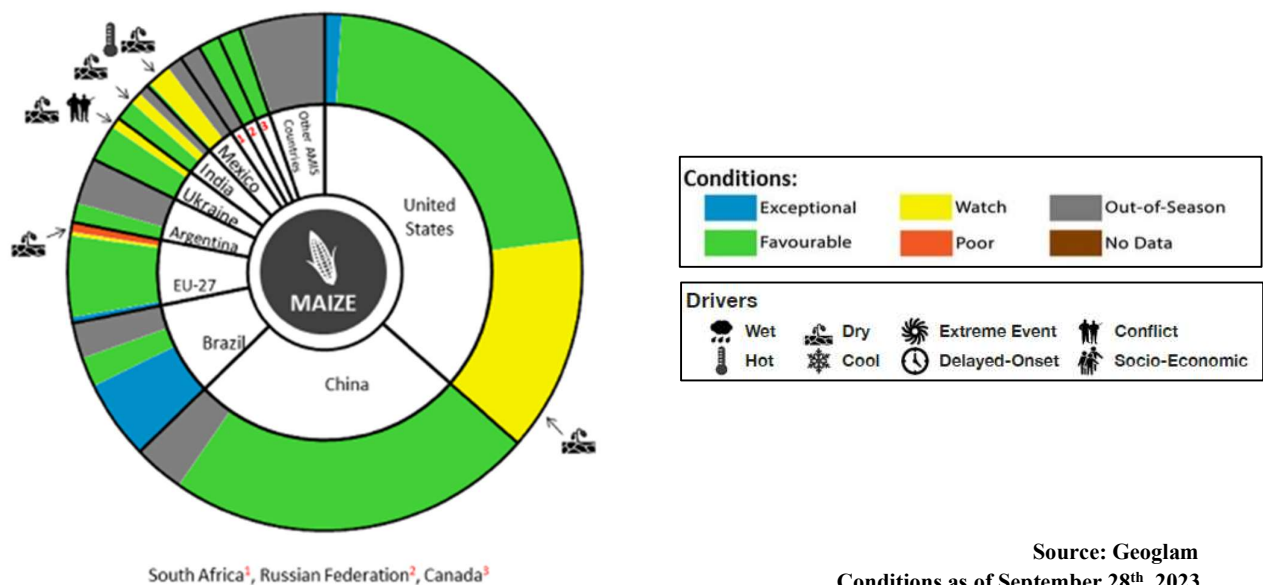


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1. World maize production



Comments on El Niño: The El Niño Oscillation (ENSO) is currently in the El Niño phase. Forecasts is for the phase to have reach peak intensity during October 2023 to January 2024 and remain active until March to May (78% chance), according to the IRI¹.



Brazil: The harvesting of the summer-planted crop (which is the larger season) is currently wrapping up with exceptional conditions, and planting of the spring-planted crop (which is the smaller season) is commencing in the main producing Southern region.

Argentina: Crop emergence in the Eastern provinces has benefited from recent rains as the planting process continues for the early-planted crop (larger season).

United States: Some areas have recovered from the recent drought conditions, whereas other areas, mostly in the Midwest, still remain dry.

European Union: Poor yields are expected in Bulgaria, Greece and Romania due to dry conditions.

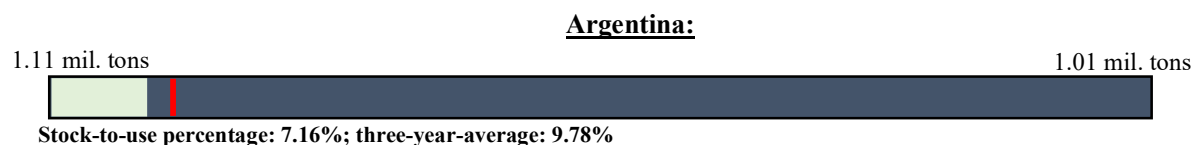
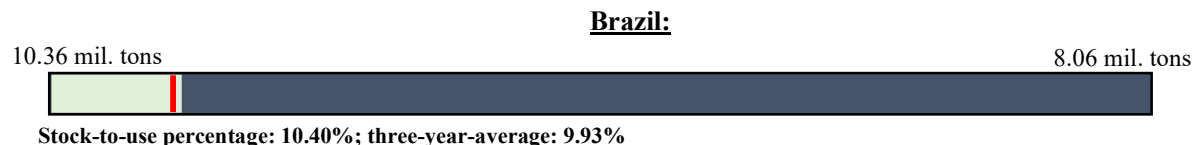
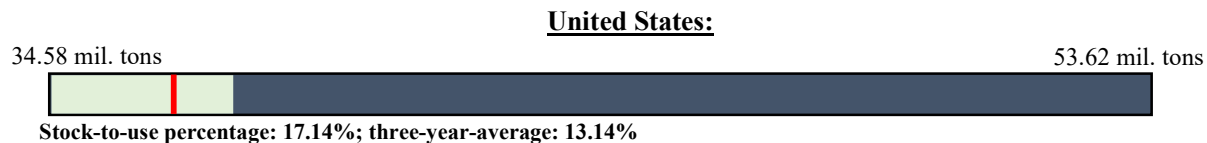
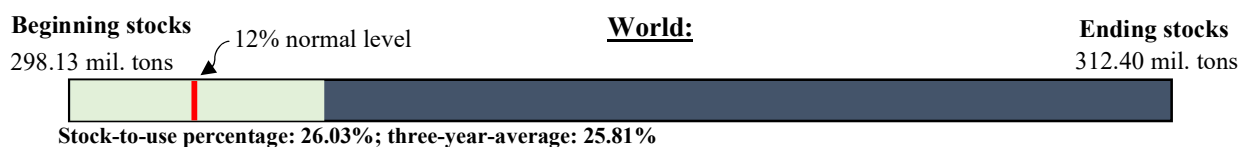
China: Recent rains benefitted the crop as the harvesting process continues.

Ukraine: Conditions remain favorable, with the exception of conflict-affected areas.

Mexico: Drought and heat stress are impacting the crops development, except along the Northwest and Southeastern coastal regions.

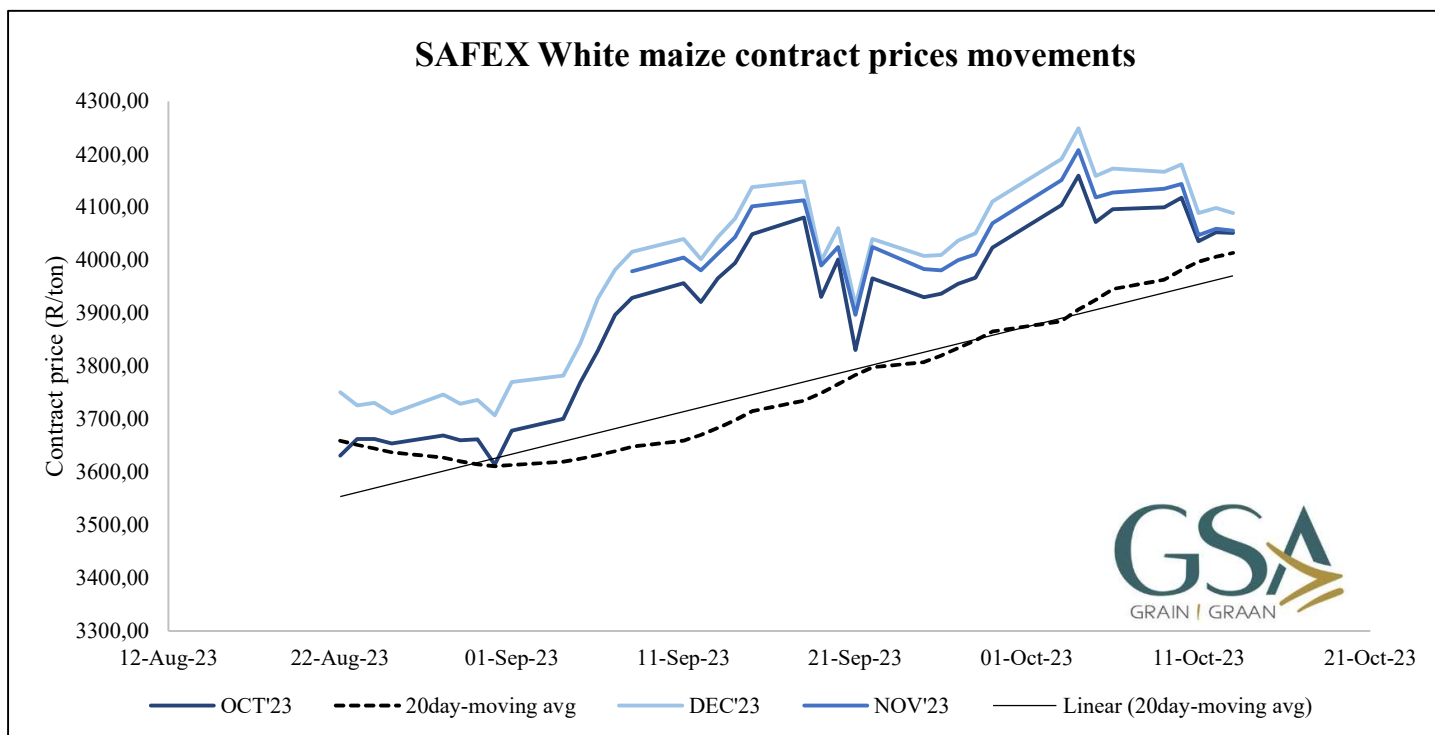
2. World supply and demand

2.1. World Agricultural Supply and Demand (WASDE) OCTOBER 2023/2024 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.

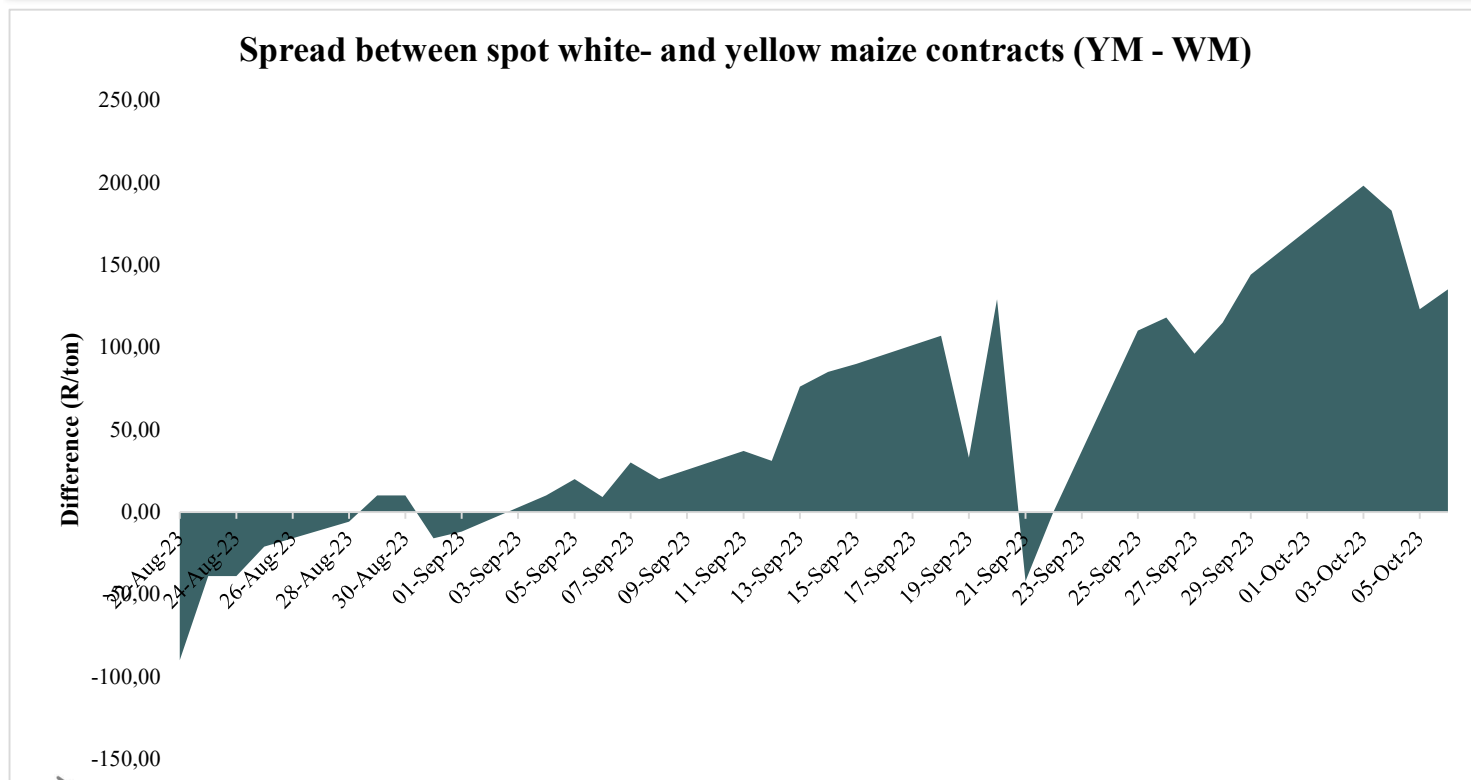
3. Monthly contract price movements (White Maize)



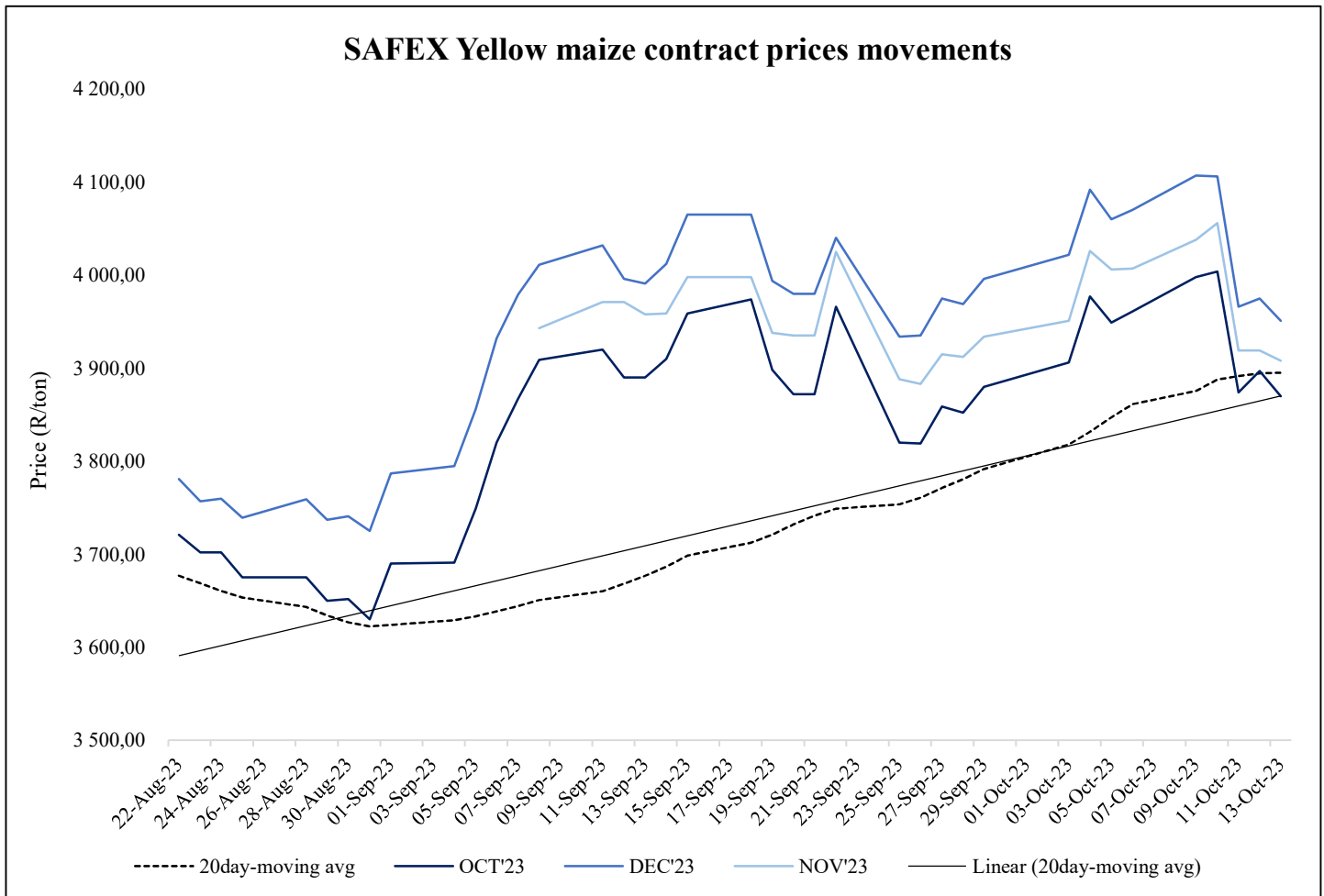
Comments on market movements for maize contracts:

- The spread between yellow- and white maize contracts continues to be in favour of white maize. Fuelled on by lower supply in the Eastern part of the country as the exporting program for white maize has picked up pace.

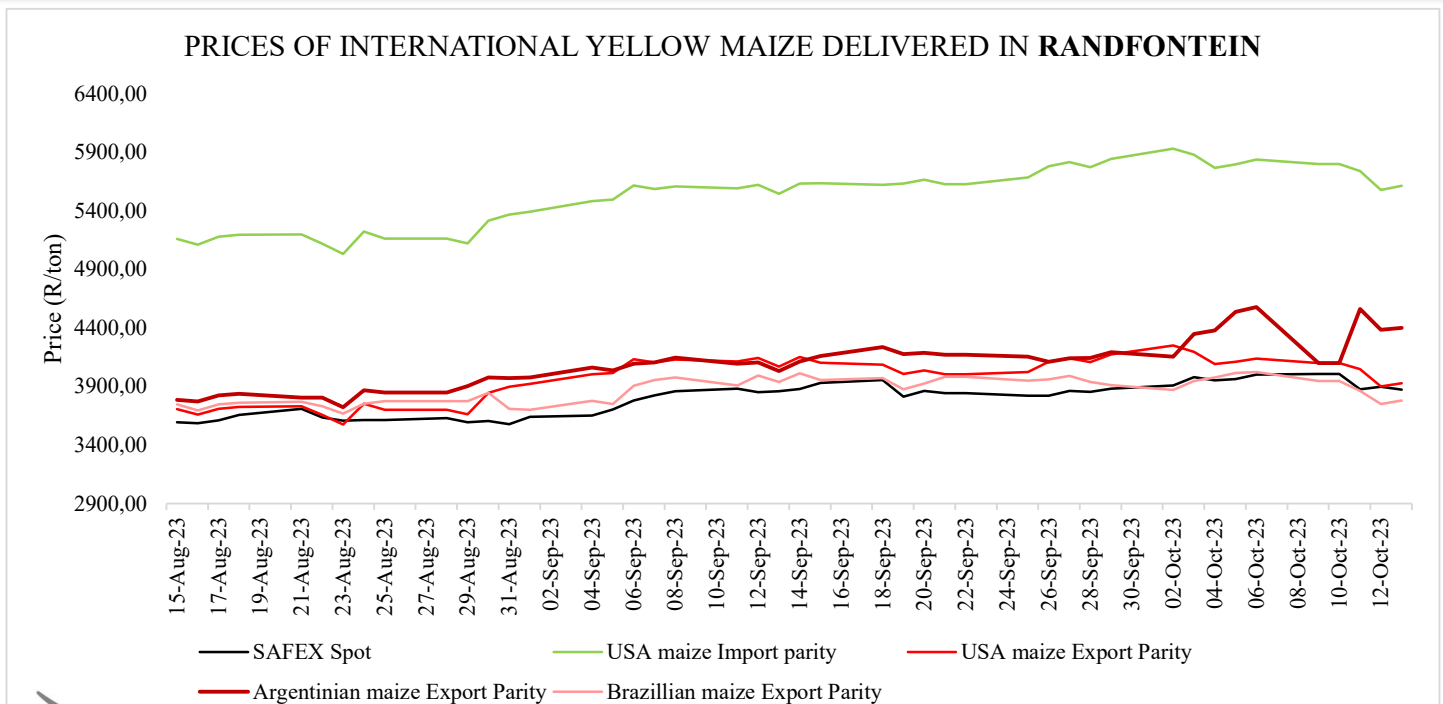
Spot price comparison of yellow- and white maize



(Yellow Maize)

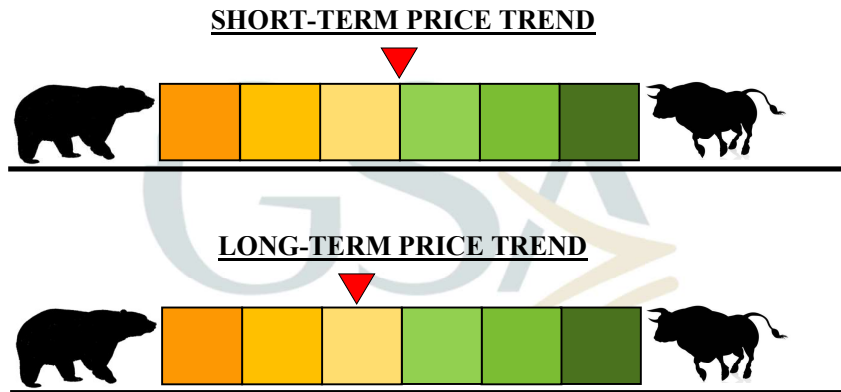


3.1. Import- and export parity movements



4. Final thoughts

In global markets, the Northern Hemisphere is currently underway with the harvesting process and the Southern Hemisphere with the planting phase, with some countries experiencing exceptional conditions (see page 2 for a full overview). Monitoring South American crop sizes will be crucial, with favorable weather influencing markets. Despite a recent reduction in the US crop, long-term global maize supplies are anticipated to remain plentiful.



Bearish factors:

- Global maize supply is estimated to increase for the 2023/2024 season, placing pressure on the market.
- The South American crop will be a key watchpoint for market direction as planting progresses with exceptional conditions.

Bullish factors:

- Uncertain production conditions in the US could support prices in the short term.
- Local: White maize supplies are tight, especially in the East, as exports have picked up pace.
- Exports to China have picked up, which adds additional support to the market.

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

Best regards,

Grain SA economy team

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