

Source: Geoglam

Conditions as of September 28th, 2024

South Africa¹, Russian Federation², Canada³, Indonesia⁴

Brazil: Sowing of the spring-planted crop is beginning in the main producing South region under favourable conditions. A reduction in total sown area is expected compared to last year.

Mexico: Improved conditions in September, the rain has helped wrap up the sowing of the spring-summer crop, however, dry conditions at the start of the season remain a concern.

China: conditions are favourable as harvest progresses north for the summer-planted crop.

United States: Harvest is beginning under mostly exceptional conditions in the Corn Belt; however, earlier hot and dry weather has reduced yields along the East Coast, which is a more minor growing region.

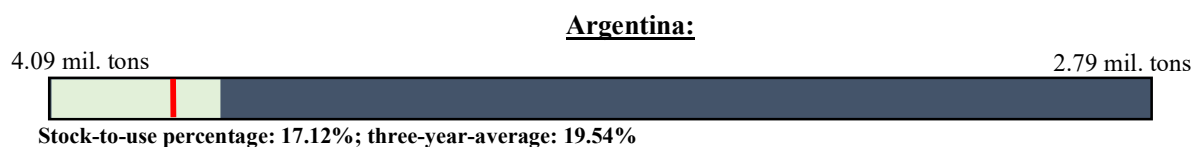
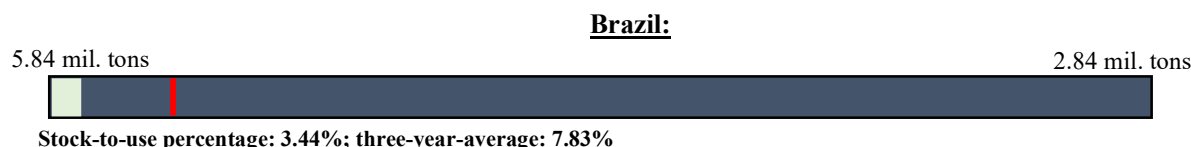
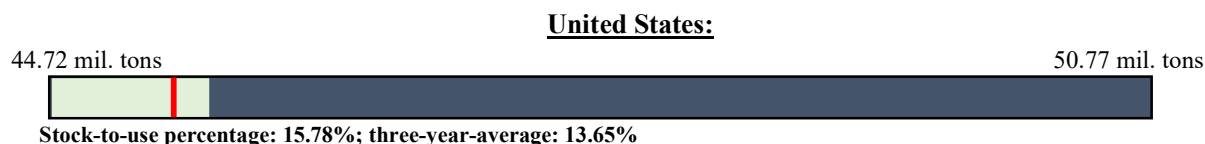
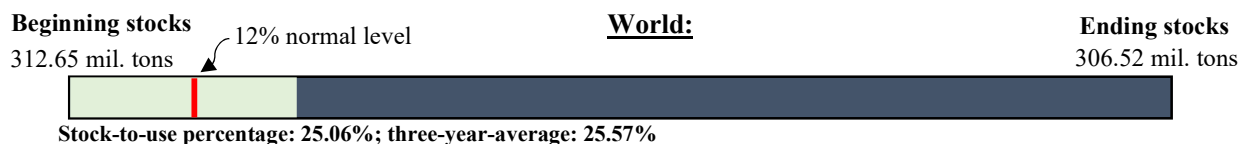
India: The conditions are favourable

Canada: The conditions are favourable with an expected increase in national yields compared to last year.

EU: Maize production forecast for 2024 lowered yields, by 1.4 % compared to 2023. Harvest is ongoing as worsening hot and dry weather continues to negatively impact southern-central and eastern countries, particularly Bulgaria and Romania.

2. World supply and demand

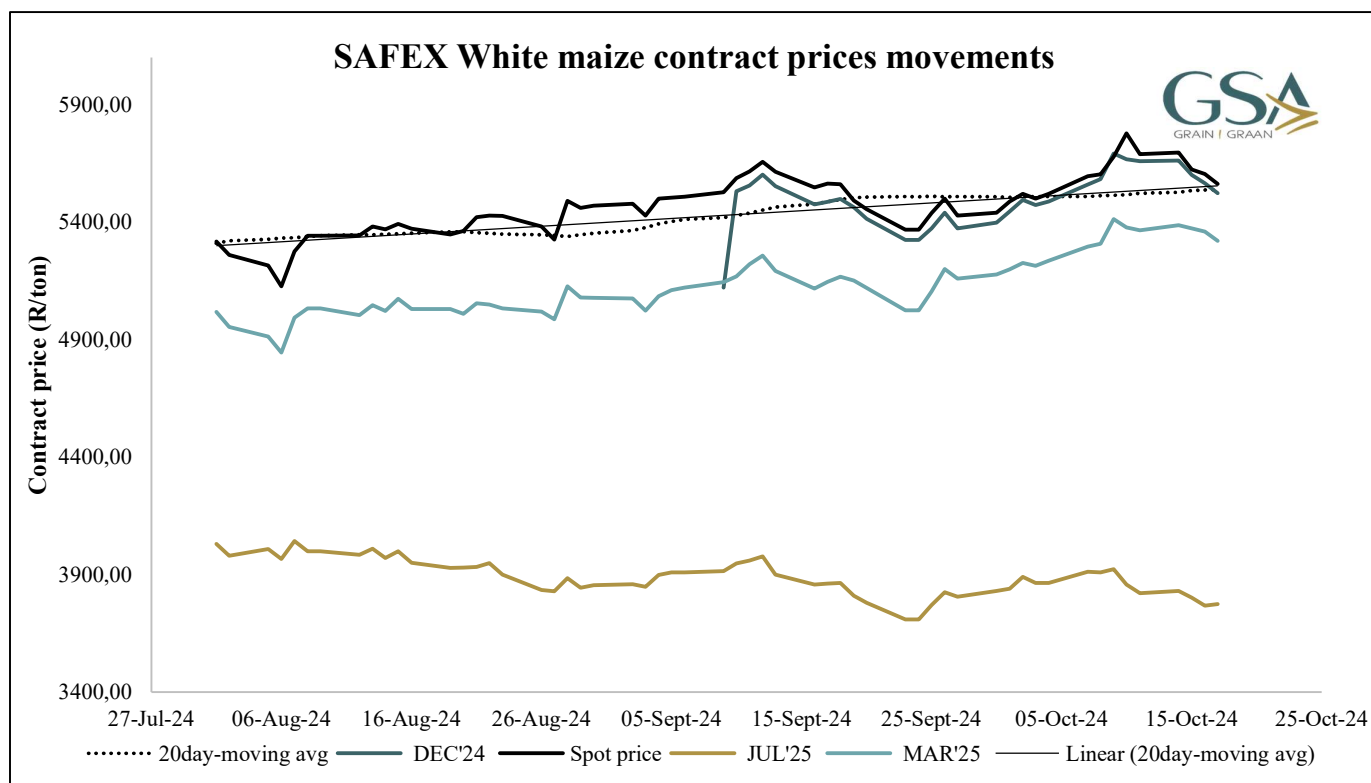
2.1. World Agricultural Supply and Demand (WASDE) OCTOBER 2024/2025 overview



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.



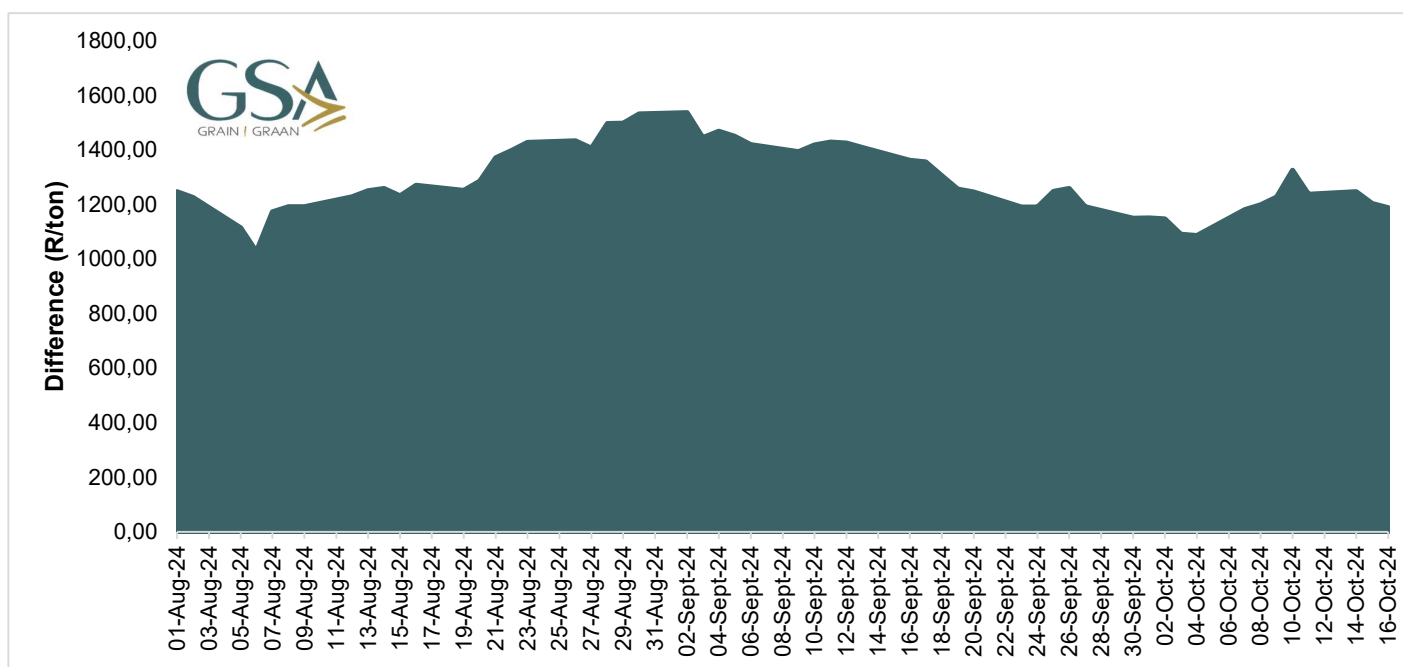
3. Monthly contract price movements (white maize)



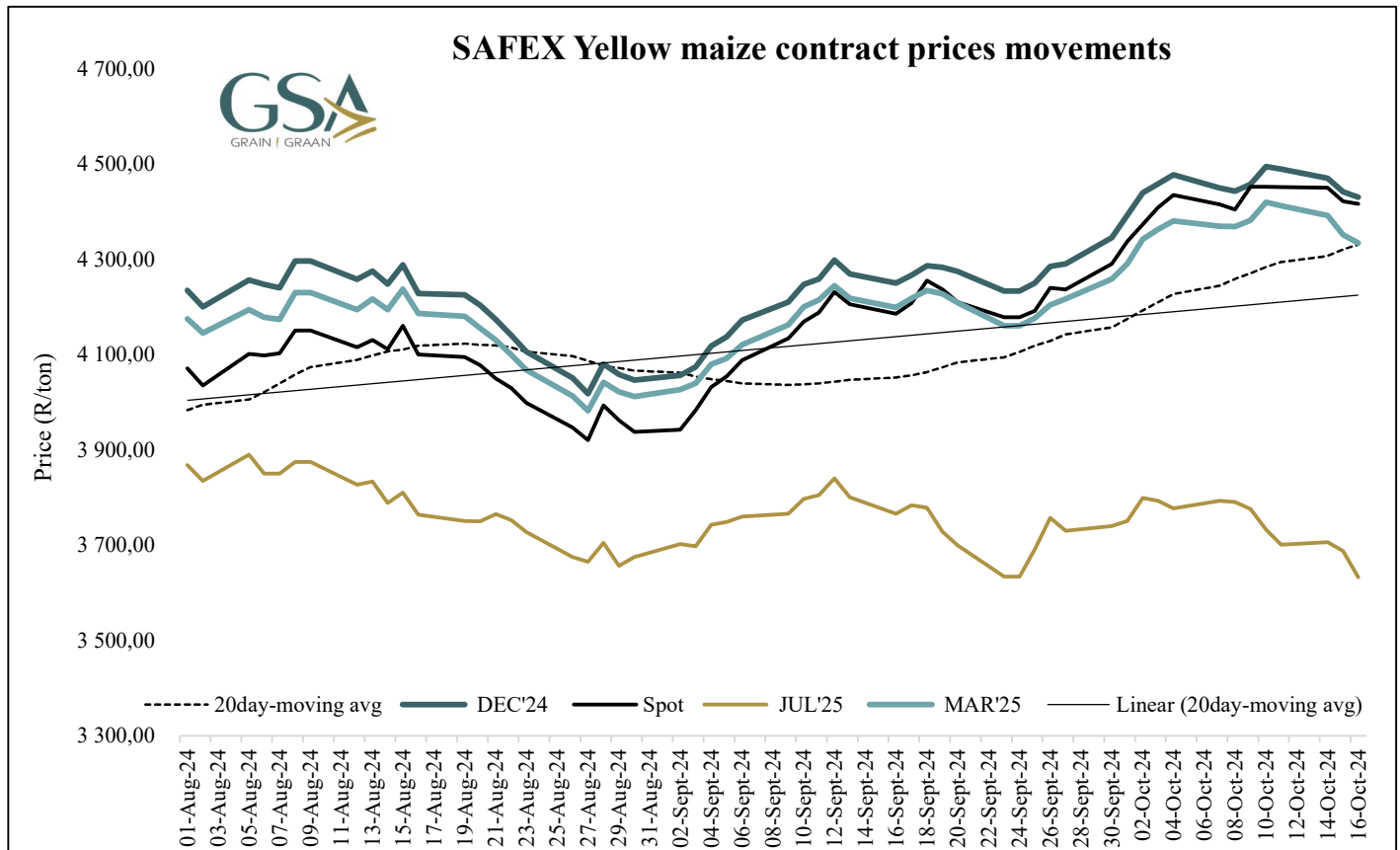
Comments on market movements for maize contracts:

Generally, maize prices traded with a sideways, slightly upward trend since the end of July. Over the past few months maize prices has been generally increasing. It is important that producers take note of the R1 500/ton lower price for the white maize July 2025 contract, which hints at higher planted hectares and production.

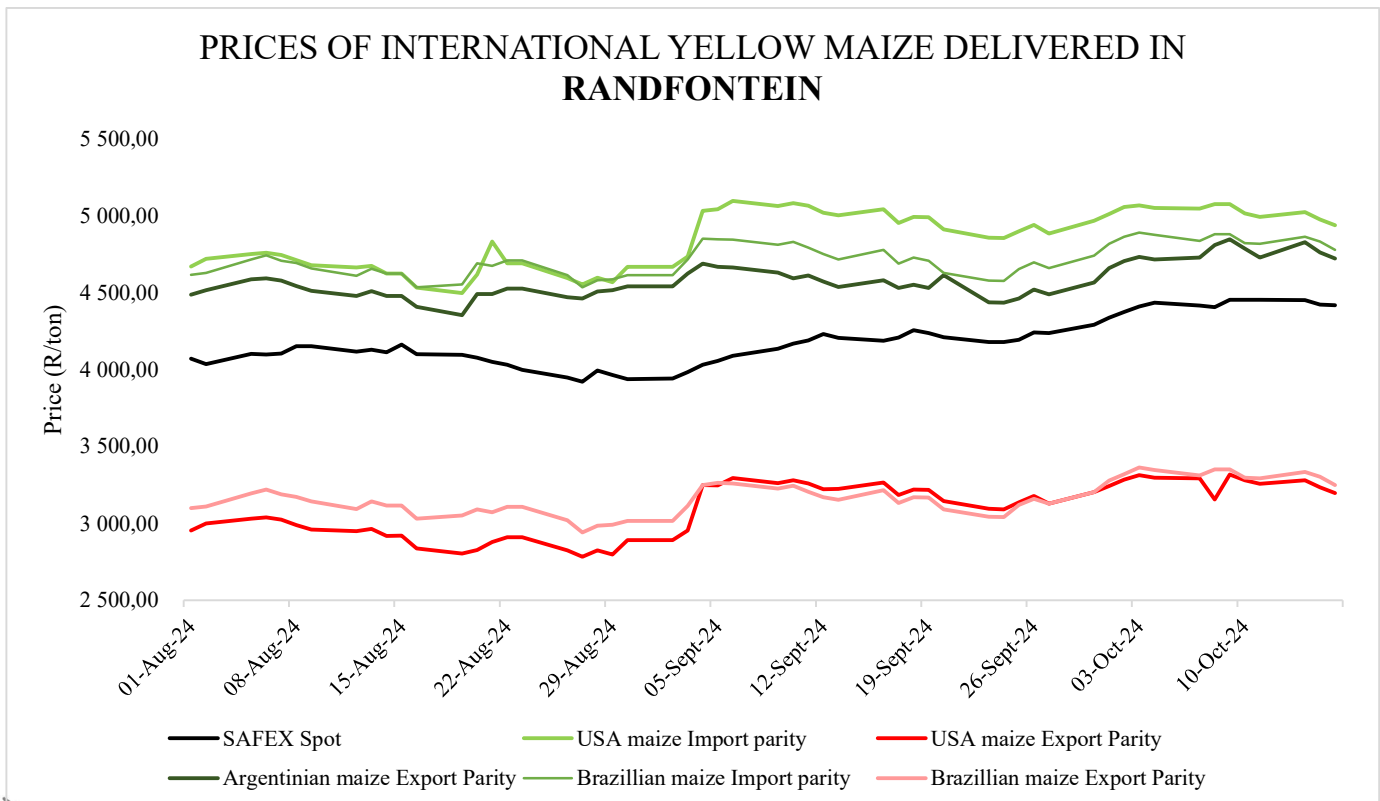
Spot price comparison of yellow- and white maize (YM – WM)



3. Monthly contract price movements (Yellow maize)

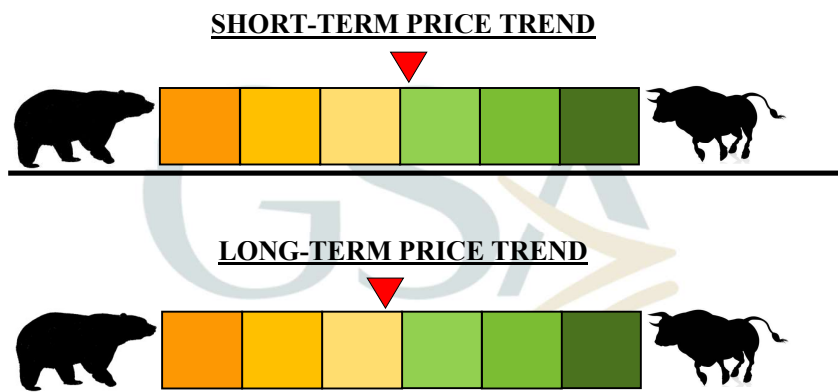


3.1. Import- and export parity movements



4. Final thoughts

The market is currently looking at two contrasts: In France the harvesting process is currently underway with unfavourable weather delaying the progress, which could offer some support to prices. On the other hand, in the US, the harvesting process is well underway with some conditions being reported as exceptional.



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 is trading at a significant lower price than old season prices, which could apply downward pressure in the future.
- In the September USDA stock report it was reported that the US maize stocks for that period is the highest in the past four years. However, the effect may not be as big as the report matches pre-release estimations.
- *Conab* (Brazil) estimates that the countries maize production can increase by 3.5% in the next season.

Bullish factors:

- Lower maize production in South Africa supports prices. White maize prices are especially supported by higher demand for exports from neighbouring countries.
- In the latest USDA WASDE report global maize production and ending stocks were adjusted downward. Even though production for the US saw upward adjustments, Ukrainian production was lowered.

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

