



WHEAT MARKET REPORT

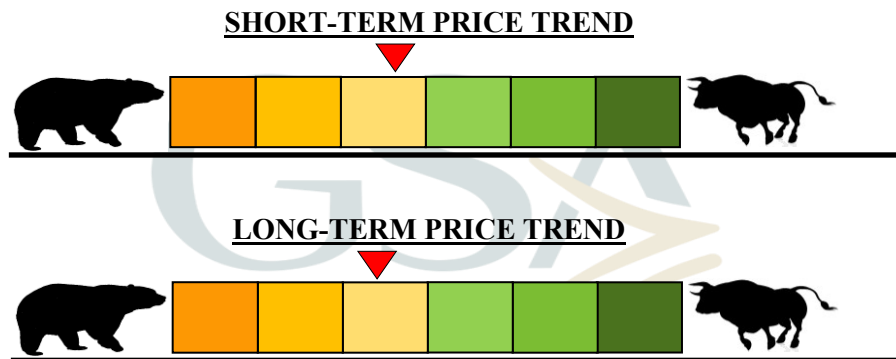
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International Markets

Bearish and Bullish Factors



Bearish factors (price-negative)

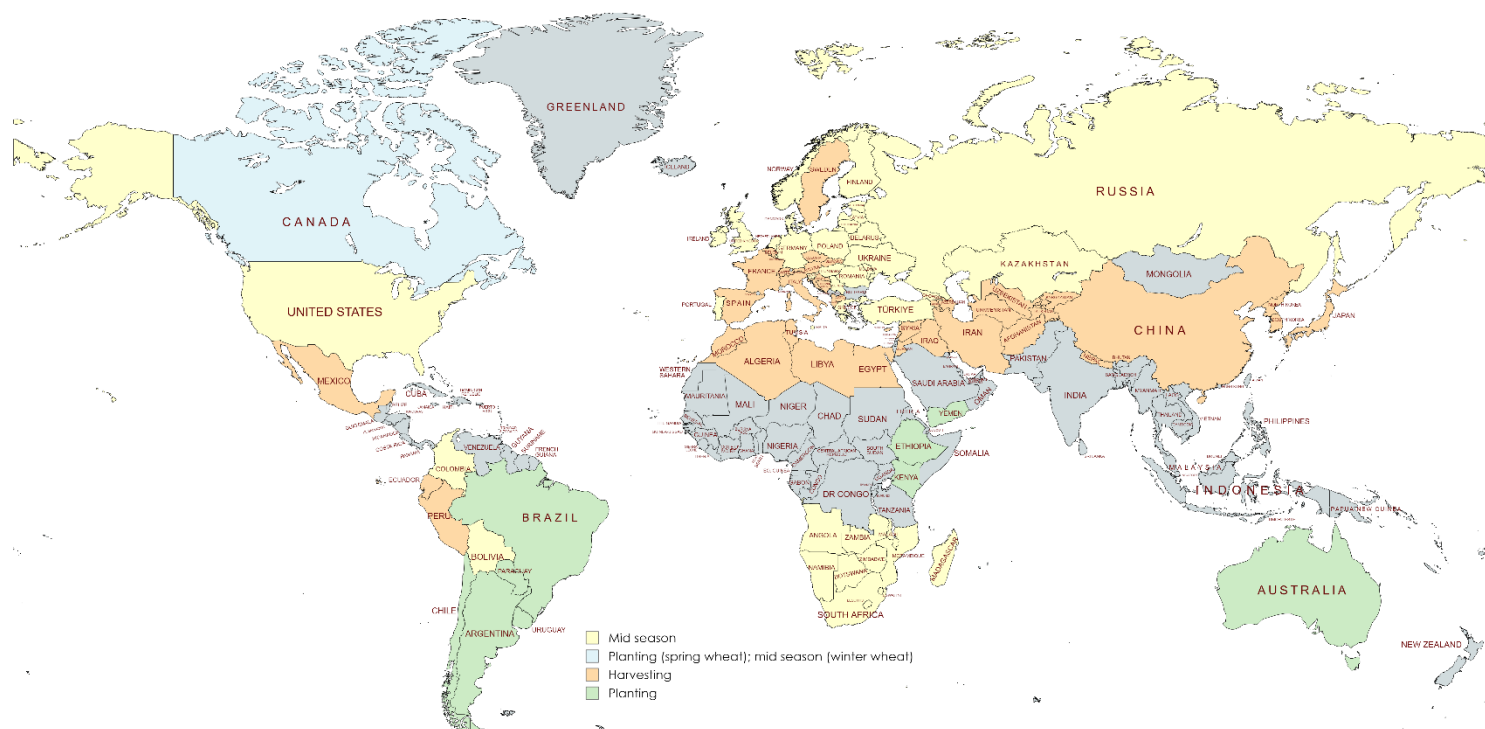
- Dominant Russian supply keeping global prices in check
- Global wheat supplies raised despite U.S. production decline
- Rapid U.S. harvest progress capping near-term price gains
- Egypt's import demand is running well below last year's trend
- South Africa's wheat import trend is trending faster than the longer term, building up stock

Bullish factors (price-supportive)

- Record-low U.S. wheat acreage surprises market
- The first survey-based production forecast for 2026/27 winter wheat is down 25% from last year.
- European heatwave threatening wheat production



International Production



Comments on El Niño:

El Niño is confirmed for the second half of 2026, with super El Niño warnings issued for Southern Africa. This means drier-than-normal conditions can persist through the winter and spring. A super El Niño can mean severe droughts and stressed maize, wheat and pasture systems

Crop Conditions Commentary

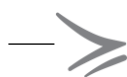
Country / Region Current situation

United States Conditions for winter wheat in the Great Plains are worsening as southern harvesting starts, while spring wheat sowing is progressing faster than usual.

European Union Winter wheat is growing under mostly favourable conditions despite heatwaves in some parts of Europe and a late cold spell earlier this month in the central regions.

Canada Spring wheat planting is ongoing, but it has been delayed due to cool temperatures and wet conditions. Conversely, winter wheat is thriving under favourable conditions.

Australia Planting is ongoing, albeit under dry conditions, across northern New South Wales and southern Queensland. A sizable decline in total planted area is expected compared to last year.



Supply and Demand (WASDE)

World Agricultural Supply and Demand (WASDE) June 2026 Overview



Stock-to-use percentage: 34%; three-year-average: 32.93%



Stock-to-use percentage: 14.8%; three-year-average: 13.09%



Stock-to-use percentage: 64.9%; three-year-average: 44.3%

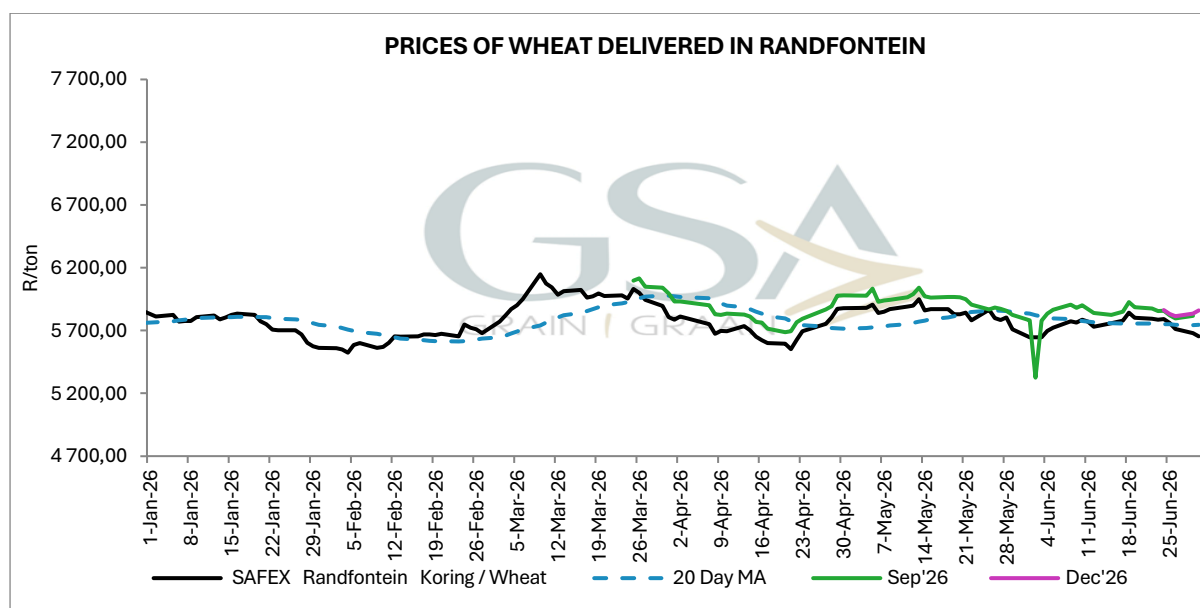


Stock-to-use percentage: 55.4%; three-year-average: 50.61%

*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



International vs Local Markets

Parity Prices

South Africa's wheat supply balance for the 2025/26 marketing season is expected to remain structurally tight, with closing stocks projected at just 619,194 tons. This amount represents only 64 days of supply based on an average processing rate of roughly 296,000 tons per month. Local commercial deliveries are anticipated to be 1.86 million tons, which falls significantly short of domestic demand. As a result, South Africa continues to rely heavily on imports, which are forecasted at 1.87 million tons for the season, almost equal to local production.

This structural dependency on imports means that local wheat prices are closely tied to international price movements, particularly those on the Chicago Board of Trade (CBOT) and Euronext futures markets, as well as the USD/ZAR exchange rate. A weaker rand directly increases the landed cost of imported wheat, putting upward pressure on domestic prices regardless of international trends.

On the international front, current bearish factors, especially record production in Russia and a well-supplied global market, should theoretically help moderate import costs, providing some relief to local millers and processors. However, this potential benefit could be negated by a weaker Rand or any escalation in geopolitical risks that might disrupt Black Sea export flows, which remain the primary source of South Africa's wheat imports.

