

The Weekly Weighbridge

9 May 2019

Important facts for the week

- According to estimates by commodities consultancy AgRural, Brazil's corn production for this season will be the highest on record after farmers harvest their second harvest in the coming weeks. The country's total corn production will likely reach a record 99.2 MMT in the 2018/19 season, which is a large increase from the prior season, when production fell to 80.7 MMT because of a drought.
- According to crop scouts on the annual Wheat Quality Council crop tour, wheat yield potential in Kansas was estimated at 3.17 tonnes per hectare (47.2 bpa). This estimate is higher than the five-year crop tour average of 2.7 tonnes per hectare (40.2 bpa) and the USDA 2018 actual Kansas yield of 2.56 tonnes per hectare (38.0 bpa), reflecting plenty of moisture and cool weather in recent months.
- ABIOVE increased its estimate for Brazil's current soybean crop to 117.6 MMT from the March 2019 estimate of 116.9 MMT, as late maturing fields show better production. ABIOVE decreased its estimate for Brazilian soybean exports in 2019 to 68.1 MMT from the 70.1 MMT estimated in March 2019, saying the African swine fever outbreak in China will reduce demand.

		ZAR/mt			Week									
		09 May 2019	02 May 2019		Move			09 May 2019	02 May 2019					
SAFEX	Jul'19 White Maize	R	2,632	R	2,667	-R	35	ZAR/USD	R	14.41	R	14.52		
SAFEX	Sep'19 White Maize	R	2,696	R	2,729	-R	33	EUR/USD	\$	1.1194	\$	1.1176		
SAFEX	Jul'19 Yellow Maize	R	2,554	R	2,580	-R	26	ZAR/EUR	R	16.12	R	16.23		
SAFEX	Sep'19 Yellow Maize	R	2,615	R	2,645	-R	30	ZAR/GBP	R	18.76	R	18.92		
SAFEX	Jul'19 Soybeans	R	4,694	R	4,753	-R	59							
SAFEX	Sep'19 Soybeans	R	4,794	R	4,850	-R	56	Important dates						
SAFEX	Jul'19 Sunflower	R	5,016	R	5,058	-R	42	09/05/2019	Weekly producer deliveries					
SAFEX	Sep'19 Sunflower	R	5,155	R	5,209	-R	54	10/05/2019	Weekly imports and exports					
SAFEX	Jul'19 Wheat	R	4,662	R	4,679	-R	17	10/05/2019	Weekly USA export intentions					
SAFEX	Sep'19 Wheat	R	4,533	R	4,554	-R	21							
Export Parity						Import Parity								
		USD/mt		Week			Protein	ZAR/mt		Week				
		FOB Origin		02 May 2019	Move	Origin Country		level			Move			
Soybeans						Wheat								
SA	Jul'19 Soybeans	\$	364	\$	364	\$	0	US (HRW)	Spot Wheat	10.1%	R	4,403	-R	24
US	Jul'19 Soybeans	\$	322	\$	326	\$	-4	US (SRW)	Spot Wheat		R	4,273	R	31
Brazil	Jul'19 Soybeans	\$	328	\$	327	\$	2	Germany	Spot Wheat	11.0%	R	4,497	-R	71
Argentina	Jul'19 Soybeans	\$	307	\$	302	\$	4	France	Spot Wheat	10.1%	R	4,145	-R	57
								Russia	Spot Wheat	11.0%	R	4,404	-R	144
								Australian APW	Spot Wheat	9.2%	R	4,060	-R	293
								Argentina	Spot Wheat	10.6%	R	4,447	-R	28
Maize						Wheat								
SA	Jul'19 Yellow Maize	\$	202	\$	202	\$	0	South Africa	Spot Wheat	12.0%	R	4,620	-R	9
SA	Jul'19 White Maize	\$	208	\$	208	\$	0							
US	Jul'19 Yellow Maize	\$	168	\$	166	\$	2	Yellow Maize						
Argentina	Jul'19 Yellow Maize	\$	145	\$	151	\$	-5	FCA Klipheuwel						
Brazil	Jul'19 Yellow Maize	\$	156	\$	159	\$	-2	US	July'19 Yellow Maize	R	3,294	R	12	
Black Sea	Spot Yellow Maize (non GM)	\$	168	\$	169	\$	-2	Argentina	July'19 Yellow Maize	R	2,896	-R	76	
								Brazil	July'19 Yellow Maize	R	3,056	-R	41	
								South Africa	July'19 Yellow Maize	R	2,904	-R	26	
								White Maize						
								FCA Randfontein						
								US	July'19 White Maize	R	3,787	-R	84	
								Mexico	July'19 White Maize	N/A	N/A	N/A	N/A	
(Wheat quality based on 12 % moisture & import tariff included)														
								Wheat	Published Tariff	R	490.70			

News for the week

Corn/Maize

Argentinean and Brazilian corn prices traded lower this past week with US Corn prices trading slightly higher. Unfavourable weather is still expected to delay planting in the US.

The latest US corn planting report showed US planting at 23% complete versus the long-term average of 46%. Illinois's planting progress is estimated at 10% versus the long-term average of 66%. The month of May is normally the busiest month for US corn planting, but many Midwestern farmers are have stopped planting waiting for the rain to stop and the fields to dry out after a record wet off-season. If planting is delayed further, corn hectares are certain to decrease and both farmers and analysts alike fear that yields could ultimately suffer as well.

There are talks that the Indian state-run trading company MMTC has postponed the deadline for offers in an international tender to import yellow corn to 15 May 2019 from 8 May 2019.

According to estimates by commodities consultancy AgRural, Brazil's corn production for this season will be the highest on record after farmers harvest their second harvest in the coming weeks. The country's total corn production will likely reach a record 99.2 MMT in the 2018/19 season, which is a large increase from the prior season, when production fell to 80.7 MMT because of a drought.

South African (SA) maize prices traded lower for July 2019 and September 2019 this past week with white maize and yellow maize trading lower due to lower international prices and a stronger ZAR.

Wheat

Chicago wheat prices traded lower this past week with the substantial global wheat stocks still being the main factor resulting in lower prices with the top exporting countries, US and Russia, expected to have above average production for the year. The USDA in a weekly crop progress report rated 64% of the US winter wheat crop in good to excellent condition, which is in line with the estimates a week earlier, a sign of improved crop conditions compared to the previous season.

According to crop scouts on the annual Wheat Quality Council crop tour, wheat yield potential in Kansas was estimated at 3.17 tonnes per hectare (47.2 bpa). This estimate is higher than the five-year crop tour average of 2.7 tonnes per hectare (40.2 bpa) and the USDA 2018 actual Kansas yield of 2.56 tonnes per hectare (38.0 bpa), reflecting plenty of moisture and cool weather in recent months.

According to Ukraine's the agriculture ministry, grain exports have reached 42.4 MMT so far in the 2018/19 season compared with 33.9 MMT at the same point last season.

South Korea's Major Feedmill Group (MFG) has issued an international tender to purchase up to 65,000 MT of optional-origin feed wheat.

South African (SA) wheat prices traded lower this past week for July 2019 and September 2019 this past week with a stronger ZAR contributing to the decreasing prices.

Soybeans

Argentinean and Brazilian soybean prices traded higher this past week with US soybean prices trading lower with the markets main focus being the current US-China trade negotiations. President Donald Trump has given negotiators until Friday to come to an agreement to avoid further tariffs on China.

Good weather in central and southern Argentina allowed farmers to make very good progress in harvesting their soybeans this past week. In northern Argentina the soybean harvest was slowed last week due to wet weather. The soybean harvest in Argentina progressed 16.6% last week to 50.7% complete. In the core production areas of central Argentina, the soybeans are 75% harvested while they are 15-25% harvested in southern Argentina and about 10% harvested in far northern Argentina.

According to data from the General Administration of Customs, China's soybean imports in April 2019 increased 10.7% from the same period a year earlier. China imported 7.64 MMT of soybeans in April 2019. That is higher than 6.9 MMT a year earlier and 55% higher than 4.92 MMT in March 2019.

ABIOVE increased its estimate for Brazil's current soybean crop to 117.6 MMT from the March 2019 estimate of 116.9 MMT, as late maturing fields show better production. ABIOVE decreased its estimate for Brazilian soybean exports in 2019 to 68.1 MMT from the 70.1 MMT estimated in March 2019, saying the African swine fever outbreak in China will reduce demand.

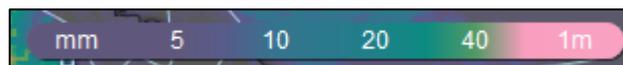
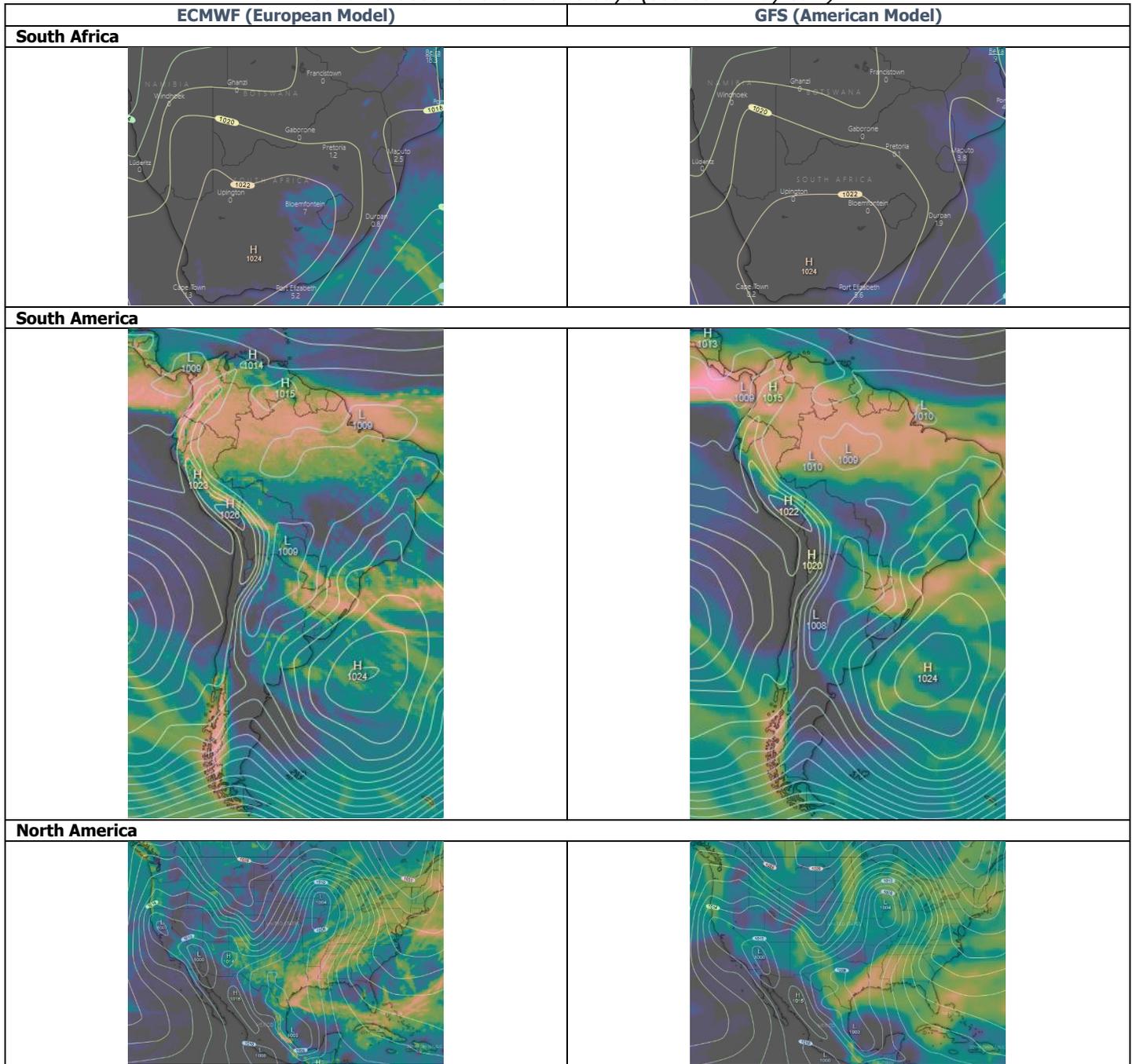
China's Dalian Commodities Exchange aims to open one of its soybean futures contracts to foreign investors this year, along with futures for soy meal, soy oil and palm oil. Such access would highlight China's efforts to allow more foreign participation in its domestic futures markets, as well as its ambition to gain greater influence over the pricing of its major commodity imports.

South African (SA) soybean prices traded lower this past week for July 2019 and September 2019 this past week with soybeans trading lower due to lower international prices and a stronger ZAR.



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Rainfall outlook for the next 10 days (Source: Windy.com)



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