



## News for the week

### Corn/Maize

International corn prices traded lower this past week after Chicago trades futures traded lower with technical selling and good weather expected for the late corn crop applying downward price pressure.

In a normal year, about 75% of US corn would be reaching maturity in about two months, but given that an extraordinary large share of the 2019 crop was planted very late due to heavy spring rains, this and a cool August weather forecast could prevent some corn from crossing the finish line. July was warmer than normal across most of the US Corn Belt, especially in the eastern portions where planting delays were the worst. A warm July is not normally favourable as pollination usually kicks off the month, but it was seen as helpful this year with the crop so far behind in development.

The condition of the US corn crop improved with 1% last week and it is now rated 58% good to excellent. Most of the decline in conditions were found in the central Corn Belt where a dryer weather trend has developed over the past several weeks. The weather forecast is expecting mostly seasonal temperatures this week with limited rainfall. If this forecast proves to be true, the corn condition will probably decline next Monday. The corn condition generally declines this time of the year due to drying conditions.

South African (SA) maize prices traded higher for White Maize for September 2019 and December 2019 and traded lower for yellow maize mainly due to lower Chicago traded corn futures prices and weaker ZAR working against each other.

### Wheat

International wheat prices traded slightly lower this past week with the current harvesting of US winter wheat, good crop conditions and some technical selling of the corn and soybeans supporting the bearish sentiment.

The International Grains Council (IGC) decreased its estimate for world wheat production in the 2019/2020 season, reflecting reduced crops in Russia, the EU and Canada. The IGC lowered its 2019/20 global wheat crop estimate by 6 MMT to a total 763 MMT. Top wheat exporter, Russia, is expected to harvest a crop of 75.7 MMT, which is lower than the previous estimate of 79.5 MMT.

Argentine wheat farmers are preparing for a record harvest, even as other international competitors see crop yields decrease because of floods in the US, intense heat in Europe and drought in Australia. The wheat production in the world's No. 6 wheat exporter, Argentina, will increase the South American country market share in international markets, while wheat incomes that will start to flow at the turn of the year will boost whoever wins presidential elections in October.

According to Soufflet, France is expected to harvest between 38 MMT and 39 MMT of soft wheat this summer with quality

levels meeting export standards. The wheat harvest is in full swing in France, with the results showing good yields despite a record-breaking heatwave that caused mainly local damage, prompting producers to increase their production estimates.

The share of milling wheat in Ukraine's 2019 wheat harvest is expected to increase to 70% from around 55% in 2018 due to hot and dry weather. Hot conditions across Ukraine in May and June were ideal for a high-quality wheat harvest, pushing up the proportion of food-grade wheat in the crop and creating a shortage of grain for animal feed, which has seen a consequent increase in prices.

South African (SA) wheat prices traded higher for December 2019 due to weaker ZAR and higher import parity prices.

### Soybeans

International soybean prices traded lower this past week after Chicago trades futures traded lower with technical selling and good weather expected for the late soybean crop applying downward price pressure.

According to Datagro Consultoria, Brazil could see a record soybean harvest in the 2019-20 season if good weather persists, as farmers are expected to increase their planting area. Brazil, which is the world's largest soybean exporter and could become the biggest producer in the upcoming season, is expected to increase the soybean planted area by 2% to a total of 36.8 million hectares.

As stated by the Chinese state media, the US has shipped several MMT of soybeans to China since the two countries' leaders met in June, although US government data shows that the volume was much less. The US-China trade war has limited the export of US crops to China, with soybean exports decreasing after China imposed tariffs of 25% on US cargoes.

US government data showed that the export of soybeans to China started picking up to the most in five months ahead of trade talks between the two countries in Shanghai, although the shipments were for soybeans bought months ago and new purchases have proven elusive. China has yet to make the large agricultural purchases US President Donald Trump and other top officials say were promised when Trump and Chinese President Xi Jinping met at the G20 summit in Osaka, Japan a month ago to restart stalled trade talks.

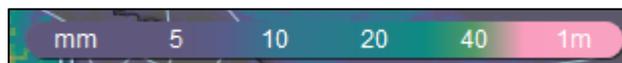
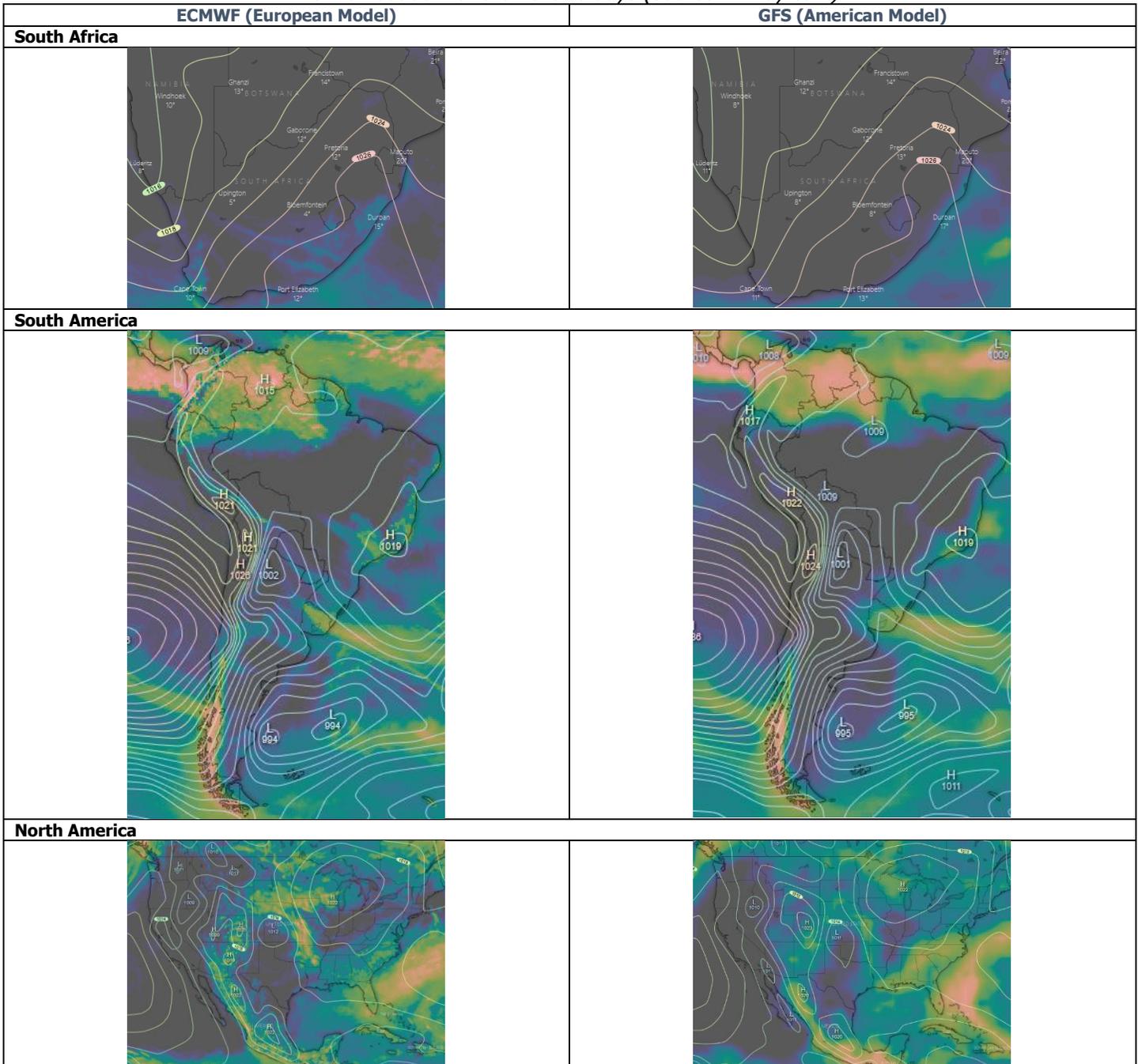
The condition of the US soybean crop was unchanged last week at 54% rated good to excellent. The 2019 US soybeans are 57% flowering compared to 85% last year and 79% for the 5-year average.

South African (SA) soybean prices traded higher for September 2019 and December 2019 this past week due to weaker ZAR.



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



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