

The Weekly Weighbridge

11 September 2019

Important facts for the week

- Brazil exported 7.65 MMT of corn in August, which is the largest monthly volume ever, increasing this year's total exports to 23 MMT as traders took advantage of record Brazilian crop production and a favourable exchange rate. Brazil corn exports in August exceeded the previous monthly record estimated in July and were more than double the 2.9 MMT exported in the same month a year earlier.
- With a third straight year of drought being experienced in Australia, the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) decreased its wheat production estimate during the 2019/20 season by nearly 10% as continued dry weather across the country's east coast decreases production. ABARES estimated production of the country's wheat crop at 19.2 MMT, which is lower than its previous estimate in June of 21.9 MMT.
- As seen from data from the General Administration of Customs, China's soybean imports in August increased by 9.7% from the previous month to reach the highest level in nearly one-and-a-half-years, as some shipments booked earlier cleared customs after a delay. August's imports of 9.48 MMT were higher than 8.64 MMT estimated in July and also higher than 9.15 MMT estimated in August last year.

		ZAR/mt			Week			11 September 2019			04 September 2019					
					Move											
SAFEX	Dec'19 White Maize	R	2,806	R	2,819	R	(13)	ZAR/USD		R	14.68	R	14.79			
SAFEX	Mar'20 White Maize	R	2,825	R	2,846	R	(21)	EUR/USD		\$	1.1003	\$	1.1033			
SAFEX	Dec'19 Yellow Maize	R	2,666	R	2,682	R	(16)	ZAR/EUR		R	16.16	R	16.32			
SAFEX	Mar'20 Yellow Maize	R	2,650	R	2,680	R	(30)	ZAR/GBP		R	18.13	R	18.12			
SAFEX	Dec'19 Soybeans	R	5,590	R	5,615	R	(25)									
SAFEX	Mar'20 Soybeans	R	5,610	R	5,645	R	(35)	Important dates								
SAFEX	Dec'19 Sunflower	R	5,465	R	5,599	R	(134)	11/09/2019	Weekly producer deliveries							
SAFEX	Mar'20 Sunflower	R	5,490	R	5,595	R	(105)	12/09/2019	Weekly Imports and exports							
SAFEX	Dec'19 Wheat	R	4,542	R	4,580	R	(38)	13/09/2019	Weekly USA export intentions							
SAFEX	Mar'20 Wheat	R	4,645	R	4,691	R	(46)									
Export Parity						Import Parity										
		USD/mt			Week	Origin Country		Protein	ZAR/mt			Week				
		FOB Origin			Move			level				Move				
Soybeans						Wheat		FCA Durban								
SA	Dec'19 Soybeans	\$	406	\$	411	\$	(4)	US (HRW)	Spot Wheat	10.1%	R	4,912	R	75		
US	Dec'19 Soybeans	\$	330	\$	339	\$	(10)	US (SRW)	Spot Wheat		R	4,948	R	76		
Brazil	Dec'19 Soybeans	\$	369	\$	370	\$	(0)	Germany	Spot Wheat	11.0%	R	4,526	R	(31)		
Argentina	Dec'19 Soybeans	\$	345	\$	355	\$	(9)	France	Spot Wheat	10.1%	R	4,303	R	36		
						Russia		Spot Wheat				11.0%	R	4,643	R	(61)
						Australian APW		Spot Wheat				9.2%	R	4,972	R	53
						Argentina		Spot Wheat				10.6%	R	5,007	R	154
Maize						Wheat		FCA Randfontein								
SA	Dec'19 Yellow Maize	\$	194	\$	195	\$	(1)	South Africa	Spot Wheat	12.0%	R	4,575	R	(11)		
US	Dec'19 Yellow Maize	\$	161	\$	163	\$	(2)									
Argentina	Dec'19 Yellow Maize	\$	143	\$	142	\$	1									
Brazil	Dec'19 Yellow Maize	\$	157	\$	159	\$	(2)									
Black Sea	Spot Yellow Maize (non GM)	\$	194	\$	194	\$	-									
Soybeans						Yellow Maize		FCA Klipheuwel								
SA	Dec'19 White Maize	\$	209	\$	210	\$	(1)	US	Dec'19 Yellow Maize		R	3,309	R	(22)		
US	Dec'19 White Maize	\$	207	\$	195	\$	11	Argentina	Dec'19 Yellow Maize		R	3,055	R	16		
Mexico	Dec'19 White Maize	\$	235	\$	235	\$	-	Brazil	Dec'19 Yellow Maize		R	3,289	R	(28)		
						South Africa		Dec'19 Yellow Maize				R	3,016	R	(16)	
						White Maize		FCA Randfontein								
						US		Dec'19 White Maize				R	4,065	R	172	
						Mexico		Dec'19 White Maize				R	4,427	R	4	
(Wheat quality based on 12 % moisture & import tariff included)																
						Wheat		Published Tariff		R	958.00					

News for the week

Corn/Maize

International corn prices traded lower this past week with the mostly favourable weather conditions in the US Midwest. More rainfall is expected in the Midwest and temperature forecasts expect above normal temperatures in the 2-weeks ahead with very little risk for frost.

Brazil exported 7.65 MMT of corn in August, which is the largest monthly volume ever, increasing this year's total exports to 23 MMT as traders took advantage of record Brazilian crop production and a favourable exchange rate. Brazil corn exports in August exceeded the previous monthly record estimated in July and were more than double the 2.9 MMT exported in the same month a year earlier.

US corn exports finished off the recently concluded US marketing year at the slowest pace in seven years. Analysis of the latest data suggests that US corn exports in 2018-19, will fall short of the current USDA estimate.

The condition rating of the 2019 US corn crop decreased by 3% to 55% rated good to excellent. Six states estimated that the corn condition improved last week while 10 states estimated that the corn condition decreased last week and two states were unchanged. Most of the improvements were found in the central and western areas while most of the declines were found in the eastern and southern locations. The weather last week was cooler and dryer than normal in the eastern and southern Corn Belt and wetter than normal in the north western Corn Belt.

South African (SA) maize prices traded lower for White Maize and Yellow Maize for December 2019 and March 2020 due to lower Chicago traded corn future prices and stronger ZAR.

Wheat

US wheat prices traded lower in the past week with US wheat prices trading lower for most of July and August with the abundant global wheat stocks and the inability of US wheat to compete in the global wheat export market. More recently the market has started to focus on the production conditions in the southern hemisphere with drier conditions in especially Australia possibly limiting some of the stock in the world wheat export market.

With a third straight year of drought being experienced in Australia, the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) decreased its wheat production estimate during the 2019/20 season by nearly 10% as continued dry weather across the country's east coast decreases production. ABARES estimated production of the country's wheat crop at 19.2 MMT, which is lower than its previous estimate in June of 21.9 MMT.

According to the president of the country's wheat industry group Abitrigo, Rubens Barbosa, Brazil is expected to announce a tariff-free wheat import quota of 750 000 MT per

year starting from 2020. Brazil announced the opening of the tariff-free wheat import quota earlier this year after President Jair Bolsonaro's visit to the US, with US wheat producers seen as potential beneficiaries, although the policy has yet to be introduced.

South African (SA) wheat prices traded lower this past week with December 2019 trading higher and March 2020 trading lower with market participants awaiting the new import tariffs to be announced.

Soybeans

US soybeans traded lower in the past week with the trade tensions between the US and China still weighing on the market. More rainfall is expected in the Midwest and temperature forecasts expect above normal temperatures in the 2-weeks ahead with very little risk for frost.

According to AgRural, the area in Brazil to be planted with soybeans in the 2019-20 season will increase by the slowest pace in 13 years as a global trade war and swine fever in China cloud the outlook for farmers. The agribusiness consultancy expects Brazil's planted soybean area to increase by just 1.1% to a total of 36.3 million hectares, which is well below the average annual growth of 5.2% seen over the past decade.

Argentine farmers, who are worried about an increasingly murky political outlook and economic turmoil in the country, are turning towards soybeans over more expensive corn in efforts to reduce costs, a shift that could impact next season's harvest in one of the world's top grain exporters. Farmers said a volatile economic situation in Argentina and the likelihood of a new administration at the end of the year, after President Mauricio Macri was hammered in primary elections, meant soybeans looked a less risky bet than corn.

As seen from data from the General Administration of Customs, China's soybean imports in August increased by 9.7% from the previous month to reach the highest level in nearly one-and-a-half-years, as some shipments booked earlier cleared customs after a delay. August's imports of 9.48 MMT were higher than 8.64 MMT estimated in July and also higher than 9.15 MMT estimated in August last year.

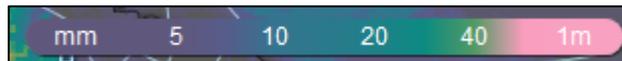
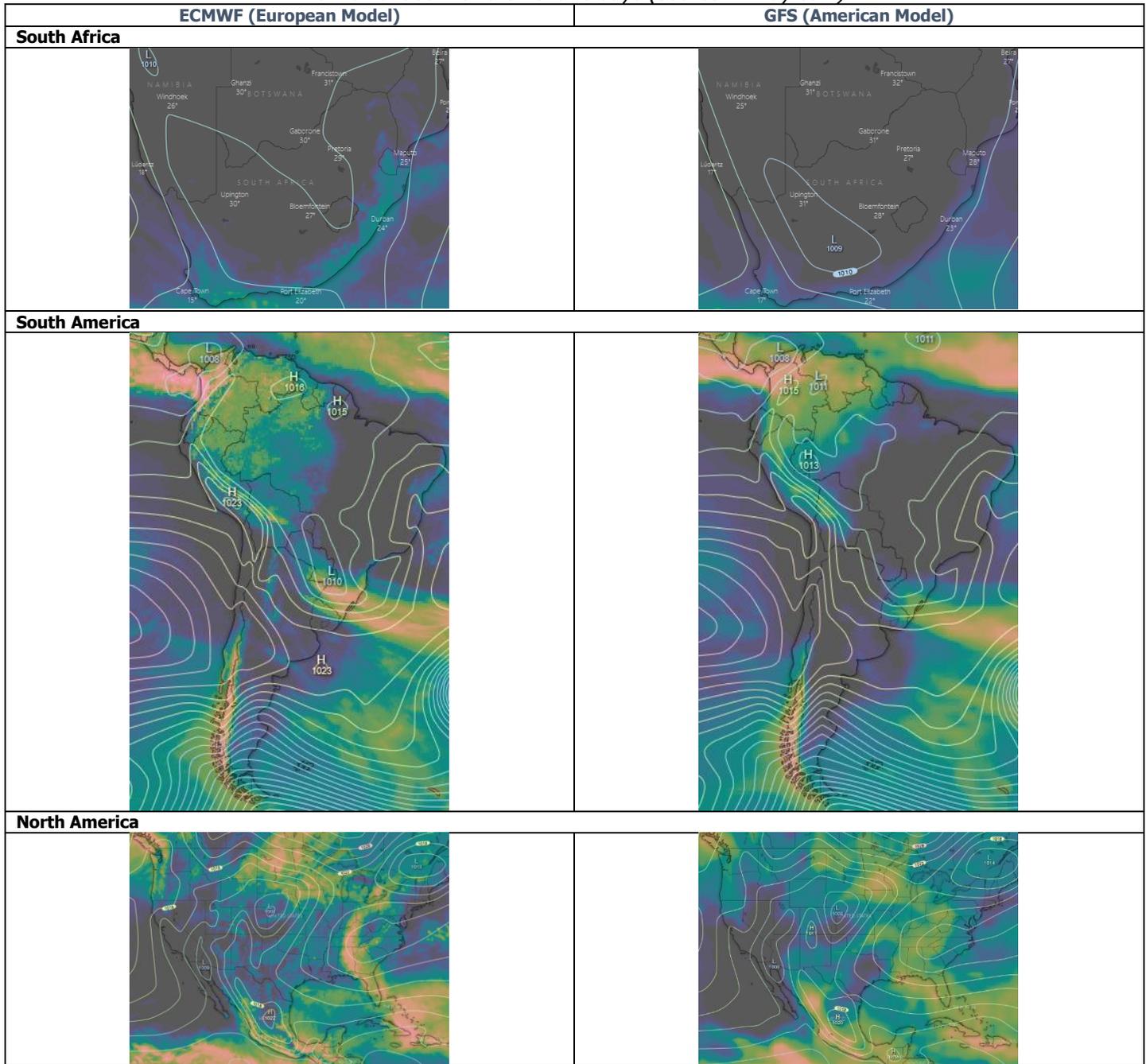
The condition rating of the 2019 US soybean crop held steady last week at 55% rated good to excellent. Eight states indicated that the soybean condition had improved last week while 9 states indicated that the soybean condition declined last week and 1 state was unchanged. Most of the improvements were found in the western areas while most of the declines were found in the eastern and southern areas.

South African (SA) soybean prices traded lower for December 2019 and March 2020 this past week due to lower Chicago traded soybean future prices and stronger ZAR.



SAAM BEREIK ONS MEER
TOGETHER WE ACHIEVE MORE

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



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