

The Weekly Weighbridge

31 October 2018

Important facts for the week

- According to the 2019 intention to plant summer crops, commercial producers in South Africa intend to plant 2.448 Million hectares of Maize for the 2019 season which is 5.6% or 129 550 hectares more than the 2.319 million hectares planted last season.
- The American Winter Wheat planting progress was estimated at 78% by NASS, which was just a 6% move from the previous week and is currently 7% behind the average pace of the last few years.
- An improved crop outlook in China led the International Grains Council on to raise its forecast for world wheat production in the 2018/19 season.
- The Chinese government's plans to reduce the protein levels in their animal feed have caused their Soymeal futures to fall 1.8%. These plans could see the consumption of Soybeans in China to fall by 14 million tonnes a year which is equivalent to 13%.
- Maize production in France will fall by around 12% this year to 11.8 million tonnes after drought dented yields led some farmers to use the crop as farm fodder, a maize growers group said on Wednesday.

		ZAR/mt		Week					
		31 October 2018		Move	31 October 2018		24 October 2018		
SAFEX	Dec'18 White Maize	R	2,426	R 81	ZAR/USD		R 14.63	R 14.56	
SAFEX	Mar19 White Maize	R	2,480	R 78	EUR/USD		\$ 1.1339	\$ 1.1391	
SAFEX	Dec'18 Yellow Maize	R	2,436	R 74	ZAR/EUR		R 16.59	R 16.59	
SAFEX	Mar19 Yellow Maize	R	2,483	R 67	ZAR/GBP		R 18.59	R 18.75	
SAFEX	Dec'18 Soybeans	R	4,598	-R 20	Important dates				
SAFEX	Mar19 Soybeans	R	4,718	-R 18					
SAFEX	Dec'18 Sunflower	R	5,125	R 73	01/11/2018	RSA weekly imports and exports			
SAFEX	Mar19 Sunflower	R	5,132	R 78	02/11/2018	USA weekly exports			
SAFEX	Dec'18 Wheat	R	4,485	R 79					
SAFEX	Mar'18 Wheat	R	4,608	R 78					
Export					Import				
		USD/mt		Week	Protein level		ZAR/mt		Week
		FOB Origin		Move			FCA Durban		Move
SA	Dec'18 Yellow Maize	\$	192	\$ 4	US (HRW)	Spot Wheat	10.1%	R 4,888	-R 18
SA	Dec'18 White Maize	\$	192	\$ 5	US (SRW)	Spot Wheat		R 4,564	R 22
US	Spot Yellow Maize	\$	161	\$ -5	Germany	Spot Wheat	11.0%	R 4,969	R 22
Argentina	Spot Yellow Maize	\$	157	\$ -3	France	Spot Wheat	10.1%	R 4,559	-R 20
Brazil	Spot Yellow Maize	\$	176	\$ -1	Russia	Spot Wheat	11.0%	R 4,785	R 7
Black Sea	Spot Yellow Maize (non GM)	\$	172	\$ -	Australian APW	Spot Wheat	9.2%	R 5,331	-R 110
					Argentina	Spot Wheat	10.6%	R 4,550	R 20
SA	Dec'18 Soybeans	\$	357	\$ -3	(Wheat quality based on 12 % moisture & import tariff included)				
US	Spot Soybeans	\$	317	\$ -5					
Brazil	Spot Soybeans	\$	391	\$ -20	Wheat	Published Tariff		R 490.70	
Argentina	Spot Soybeans	\$	389	\$ 1					

News for the week

Corn/Maize

The Weekly US export inspections report showed that 652 995 MT of Corn was shipped in the week of 25 October, which is down 36.23% from the prior week, but 19.29% larger than the same week in 2017. The latest crop progress report indicated the Corn harvest at 63% complete which is a 14% increase from the previous week and is now in line with the 5-year average.

Maize production in France will fall by around 12% this year to 11.8 million tonnes after drought dented yields led some farmers to use the crop as farm fodder. According to AGPM the production fall was less severe than previously expected as some regions achieved high yields, helped by irrigation and the performance of new seed varieties.

The Republican Senator Chuck Grassley said that the US Environmental Protection Agency must act quickly to allow the year-round sales of higher ethanol gasoline blends if President Donald Trump wants to keep a campaign promise to corn farmers. Trump announced during a trip to Iowa this month that he has intentions to lift the summertime ban on sales of so-called E15 gasoline to help corn growers stung by slumping prices.

According to the 2019 intention to plant summer crops, commercial producers in South Africa intend to plant 2.448 Million hectares of Maize for the 2019 season which is 5.6% or 129 550 hectares more than the 2.319 million hectares planted last season.

South African Maize prices traded higher the past week following weakness in the ZAR after the mid term budget speech by minister Tito Mboweni.

Wheat

The Russian Wheat export prices fell the past week, following intensified competition with US Wheat supplies to Egypt, the world's largest importer of Wheat and the top buyer of the Russian Wheat Crop. Chicago Wheat prices which are also the Global Wheat benchmark were constantly falling until Friday when they took a jump as US Wheat became one of the winning origins for the first time in a while with a purchase from Egypt's state buyer.

The United States trade war have given Canada's agriculture industry a boost with sales of Wheat as well as Soybeans to China, as well as pork to Mexico.

The Russian agriculture minister raised their country's export estimate on Friday after meeting with the country's major traders, who interpreted this as a sign of an easing risk of export curbs. Russia's exports, along with their neighbour Ukraine, a major Black Sea Wheat exporter are being watched closely due to a lower crop this season.

The American Winter Wheat planting progress was estimated at 78% by NASS, which was just a 6% move from the previous week and is currently 7% behind the average pace of the last few years.

Sunny skies allowed Canadian farmers to swiftly make up for harvest delays last week, wrapping up a nightmarish season for some. But while the harvest is finally on its way in the third-biggest wheat-exporting country, weather troubles look to dent farm incomes due to quality problems that are also forcing some millers to scrounge for other supplies.

An improved crop outlook in China led the International Grains Council on Thursday to raise its forecast for world wheat production in the 2018/19 season. The IGC put global wheat production at 728.8 million tonnes, which is up from a previous forecast of 716.7 million although it is still well below the prior season's 767.1 million tonnes.

South African Wheat prices traded higher the past week following weakness in the ZAR after the mid term budget speech by minister Tito Mboweni.

Soybeans

The previous week US farmers took advantage of Favourable weather with many areas making huge strides regarding harvest progress said eight crop watch producers. As of last Sunday, the American harvest is predicted to range from 60% complete to fully complete across the eight crop watch areas.

Brazilian farmers on the other hand are likely to harvest another record volume of Soybeans in the coming 2018/2019 season, as sustained good weather fuels expectations of yet another bumper crop in the world's largest exporter of the specific oilseed. The Brazilian producers will harvest 120.39 million tonnes of Soybeans in the season which started in September, which will also be a rise of 0.9% from the previous cycle.

The Chinese government's plans to reduce the protein levels in their animal feed have caused their Soybean futures to fall 1.8% on Tuesday. These plans could see the consumption of Soybeans in China to fall by 14 million tonnes a year which is equivalent to 13%.

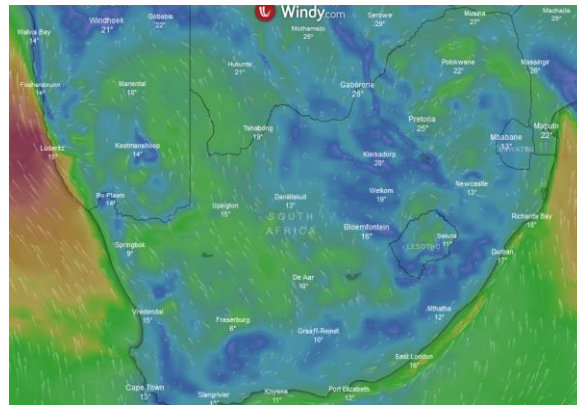
The US department of agriculture is not planning to extend an up to \$ 12 billion aid package to farmers in 2019 to mitigate the losses by farmers due to the imposition of tariffs on American exports.

South African Soybean prices traded lower due to a lower demand for U.S Soybeans from China due to the continuing trade war between the U.S and China.

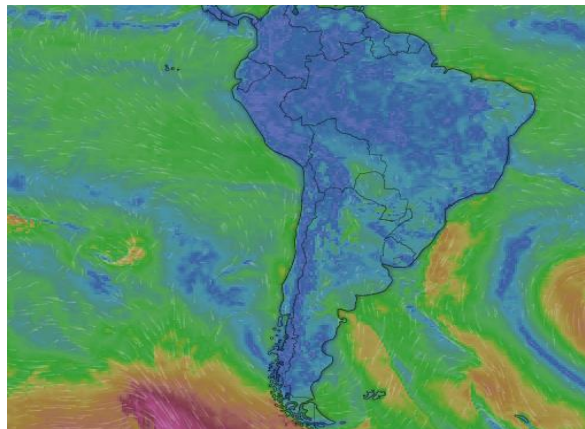


Rainfall outlook for the next 10 days (Source: Windy.com)

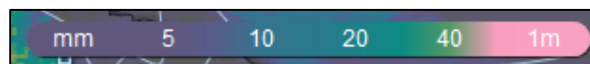
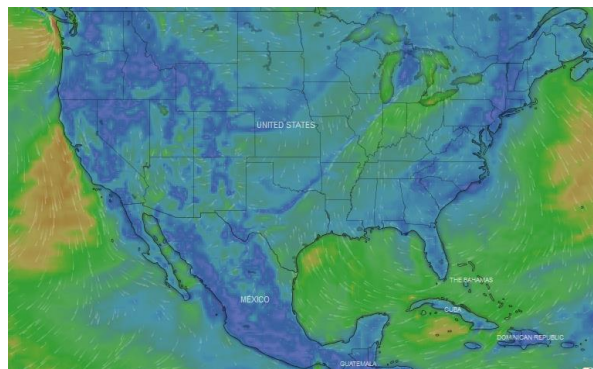
South Africa



South America



North America



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