



# The Weekly Weighbridge

## 27 June 2019

### Important facts for the week

- The size of the South African maize crop has been estimated at 10.933 MMT, which is 0,30% higher than the previous estimate of 10.900 MMT. The estimated maize crop is 13% smaller than the 2018 crop. The area estimate for white maize is 1.298 million hectares & for yellow maize the area estimate is 1.002 million hectares.
- According to the Argentine government, farmers are expected to plant 6.5 million hectares of wheat in the 2019/20 season, with good rainfall being cited as the reason for the increase from its previous estimate of 6.46 million hectares.
- According to customs data, China's May 2019 soybean imports from Brazil decreased by 31% from the same month last year, with buyers decreasing buying orders for soybeans as African swine fever has reduced the China's pig herds. China bought 6.3 MMT of soybeans from Brazil in May 2019, which is lower than 9.124 MMT estimated the previous year.

ZAR/mt						Week									
27 June 2019						20 June 2019	27 June 2019								
						Move									
SAFEX	Jul'19 White Maize	R	2,890	R	2,790	R	100	ZAR/USD			R	14.16	R	14.31	
SAFEX	Sep'19 White Maize	R	2,936	R	2,842	R	94	EUR/USD			\$	1.1368	\$	1.1291	
SAFEX	Jul'19 Yellow Maize	R	2,834	R	2,776	R	58	ZAR/EUR			R	16.10	R	16.17	
SAFEX	Sep'19 Yellow Maize	R	2,891	R	2,826	R	65	ZAR/GBP			R	17.99	R	18.17	
SAFEX	Jul'19 Soybeans	R	5,365	R	5,322	R	43								
SAFEX	Sep'19 Soybeans	R	5,451	R	5,418	R	33	Important dates							
SAFEX	Jul'19 Sunflower	R	5,235	R	5,176	R	59		26/06/2019	Weekly producer deliveries					
SAFEX	Sep'19 Sunflower	R	5,400	R	5,288	R	112		27/06/2019	Weekly Imports and exports					
SAFEX	Jul'19 Wheat	R	4,460	R	4,487	-R	27		28/06/2019	Weekly USA export intentions					
SAFEX	Sep'19 Wheat	R	4,470	R	4,443	R	27								
Export Parity							Import Parity								
USD/mt							Week	ZAR/mt							Week
FOB Origin							20 June 2019	Protein level							Move
Soybeans								Wheat							
SA	Jul'19 Soybeans	\$	417	\$	408	\$	9	US (HRW)	Spot Wheat	10.1%	R	5,232	R	4	
US	Jul'19 Soybeans	\$	351	\$	359	\$	-8	US (SRW)	Spot Wheat		R	5,272	R	49	
Brazil	Jul'19 Soybeans	\$	367	\$	370	\$	-3	Germany	Spot Wheat	11.0%	R	4,920	-R	24	
Argentina	Jul'19 Soybeans	\$	345	\$	346	\$	-1	France	Spot Wheat	10.1%	R	4,638	R	42	
								Russia	Spot Wheat	11.0%	R	4,598	-R	34	
								Australian APW	Spot Wheat	9.2%	R	4,899	R	47	
SA	Jul'19 Yellow Maize	\$	225	\$	217	\$	8	Argentina	Spot Wheat	10.6%	R	4,613	-R	34	
US	Jul'19 Yellow Maize	\$	203	\$	205	\$	-2		Wheat						
Argentina	Jul'19 Yellow Maize	\$	182	\$	179	\$	4	South Africa	Spot Wheat	12.0%	R	4,460	-R	23	
Brazil	Jul'19 Yellow Maize	\$	187	\$	186	\$	2								
Black Sea	Spot Yellow Maize (non GM)	\$	190	\$	185	\$	5		Yellow Maize						
								US	July'19 Yellow Maize		R	3,751	-R	55	
SA	Jul'19 White Maize	\$	228	\$	218	\$	10	Argentina	July'19 Yellow Maize		R	3,380	R	44	
								Brazil	July'19 Yellow Maize		R	3,453	R	5	
								South Africa	July'19 Yellow Maize		R	3,184	R	58	
									White Maize						
								US	July'19 White Maize		R	4,185	-R	85	
								Mexico	July'19 White Maize		N/A	N/A			
								(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 higher this past week after speculators' optimism in Chicago-traded grain futures built further as the US corn crops are off to their latest-ever start, creating uncertainty over production potential as market participants consider changes to US weather forecasts, trying to figure out what they mean for the unique growing season.

The corn crop in Argentina is 44.2% harvested which represents progress of only 1.9% for the week. In the core production areas, the corn is 90-95% harvested with 40-60% harvested in southern Argentina and approximately 10% harvested in far northern Argentina.

The size of the South African maize crop has been estimated at 10.933 MMT, which is 0.30% higher than the previous estimate of 10.900 MMT. The estimated maize crop is 13% smaller than the 2018 crop. The area estimate for white maize is 1.298 million hectares & for yellow maize the area estimate is 1.002 million hectares. The production estimate of white maize remained unchanged at 5.488 MMT against the previous estimate. The yield for white maize is 4.23 t/ha. For yellow maize, the production estimate is 5.445 MMT, which is 0.60% higher than the 5.412 MMT of the previous estimate. The yield for yellow maize is 5.43 t/ha.

The 2019 US corn crop is 96% planted compared to 100% last year and 100% for the 5-year average, but in reality, the corn planting is basically over. If it has been too wet to plant corn up until now, no more corn is going to be planted with the exception of maybe some dairy farmers. If some dairy farmers don't think they will have enough corn silage to fill their silos, they may try to plant some more corn, but it would only be for forage and not for grain production.

The corn is 89% emerged compared to 100% last year and 99% for the 5-year average. The slowest emergence is in the eastern Corn Belt as well as in South Dakota. The corn is now rated 56% good to excellent, which is 3% lower than last week. The corn rating usually improves a little this time of the year as the crop starts to take up nitrogen and turns a darker green colour. That did not happen this year due to excess soil moisture.

South African (SA) maize prices traded higher for July 2019 and September 2019 this past week with market participants rolling positions from Jul'19 to Dec'19 after option expiry 24 Jun'19.

### Wheat

International wheat prices traded mixed this past week after US exports were estimated higher than expected and the Russian crop production expected to be 13% higher than in 2018.

According to Russian agriculture consultants IKAR and SovEcon, estimates for Russia's wheat exports decreased in

the new 2019/20 marketing season starting 1 July 2019 due to dry weather. Russia, the world's largest wheat exporter which exports its grain to Africa, the Middle East and Asia, started harvesting the 2019 grain crop amid hot weather in several regions last week.

According to Russian state weather forecaster Hydrometcentre, conditions for Russia's spring wheat harvest are generally good with only a few areas affected by a heatwave that has hit some parts of the country.

According to the Argentine government, farmers are expected to plant 6.5 million hectares of wheat in the 2019/20 season, with good rainfall being mentioned as the reason for the increase from its previous estimate of 6.46 million hectares.

South African (SA) wheat prices traded mixed for July 2019 and September 2019 this past week with July 2019 prices trading lower and December prices trading higher.

### Soybeans

International soybean prices traded lower this past week as market participants are expecting the USDA stock report to be inline with the previous two reports.

According to customs data, China's May 2019 soybean imports from Brazil decreased by 31% from the same month last year, with buyers decreasing buying orders for soybeans as African swine fever has reduced the China's pig herds. China bought 6.3 MMT of soybeans from Brazil in May 2019, which is lower than 9.124 MMT estimated the previous year.

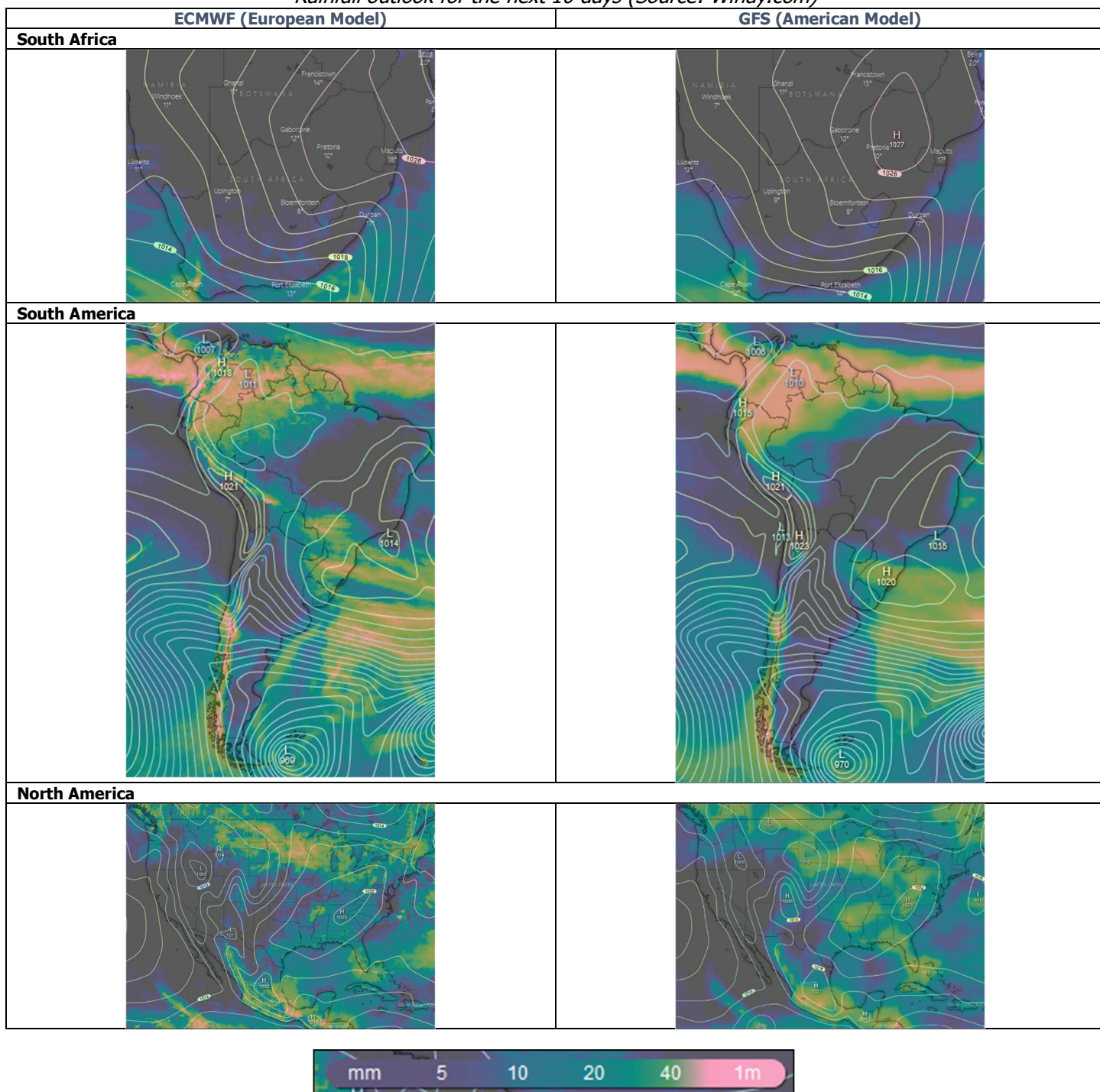
According to the Grain Exchange of Buenos Aires, the 2018/19 soybean crop is 99.1% harvested with 150 000 hectares left to harvest in southern Buenos Aires province and in northern Chaco province.

The 2019 U.S. soybean crop is 85% planted compared to 100% last year and 97% for the 5-year average. If you use the March Intensions, there are still approximately 12 million acres of soybeans left to plant. The slowest planting is in the eastern Corn Belt where the Illinois soybeans are 79% planted (average is 97 %), Indiana is 75% (average is 97%), Ohio is 65% (average is 98%), and Michigan is 69% (average is 98%). Other states where the soybean planting is very slow are Missouri with 66% planted (average is 87%) and South Dakota with 84% planted (average is 99%).

The soybeans are 71% emerged compared to 94% last year and 91% for the 5-year average. In the first rating of the season, the soybeans are rated 54% good to excellent.

South African (SA) soybean prices traded higher for July 2019 and September 2019 this past week with soybeans trading higher due to local soybean production reduced by 6.13% to a total of 1.216 MMT, with total deliveries currently reported at 1.073 MMT.

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



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