

# The Weekly Weighbridge

## 28 August 2020

### Important facts for the week

- South Africa is expected to harvest 15.537 MMT of maize in 2020, which is slightly lower than last month's estimate after wet weather conditions delayed deliveries.
- Agritel has stated that a sharp decrease in this year France's soft wheat harvest due to adverse weather throughout the crop cycle will decrease exports from the EU's largest grain producer by nearly 40% in 2020/21. Agritel kept its estimate for France's 2020 harvest at 29.22 MMT, which is lower than the 39.5 MMT estimated last year.
- India's soybean production could increase by 32% in 2020 to a total of 12.25 MMT from a year earlier due to more area planted and as the yields are expected to increase due to ample monsoon rainfall. Increased production of India's soybeans could help the world's biggest vegetable oil importer trim costly purchases of palm oil, soyoil and sunflower oil from Indonesia, Malaysia, Argentina and Ukraine.

ZAR/mt							Week		28 August 2020							21 August 2020						
28 August 2020							21 August 2020		Move		28 August 2020							21 August 2020				
SAFEX	Sep'20 White Maize	R	3,076	R	2,969	R	107	ZAR/USD				R	16.68	R	17.15							
SAFEX	Dec'20 White Maize	R	3,102	R	3,035	R	67	EUR/USD				\$	1.1894	\$	1.1795							
SAFEX	Sep'20 Yellow Maize	R	3,061	R	2,979	R	82	ZAR/EUR				R	19.84	R	20.23							
SAFEX	Dec'20 Yellow Maize	R	3,124	R	3,058	R	66	ZAR/GBP				R	22.17	R	22.44							
SAFEX	Sep'20 Soybeans	R	7,500	R	7,504	R	(4)	Important dates														
SAFEX	Dec'20 Soybeans	R	7,535	R	7,539	R	(4)															
SAFEX	Sep'20 Sunflower	R	6,845	R	6,705	R	140									26/08/2020	Weekly producer deliveries					
SAFEX	Dec'20 Sunflower	R	6,970	R	6,827	R	143									27/08/2020	Weekly Imports and exports					
SAFEX	Sep'20 Wheat	R	5,225	R	5,294	R	(69)	28/08/2020	Weekly USA export intentions													
SAFEX	Dec'20 Wheat	R	4,890	R	4,918	R	(28)															
Export Parity								Import Parity														
USD/mt								ZAR/mt														
FOB Origin								Protein level														
21 August 2020								21 August 2020														
Move								Move														
Soybeans								Wheat														
SA	Sep'20 Soybeans	\$	477	\$	468	\$	9	US (HRW)	Spot Wheat	10.1%	R	5,533	R	(35)								
US	Sep'20 Soybeans	\$	387	\$	373	\$	14	US (SRW)	Spot Wheat		R	5,506	R	(34)								
Brazil	Sep'20 Soybeans	\$	416	\$	403	\$	13	Germany	Spot Wheat	11.0%	R	5,434	R	(59)								
Argentina	Sep'20 Soybeans	\$	365	\$	370	\$	(5)	France	Spot Wheat	10.1%	R	5,171	R	(24)								
								Russia	Spot Wheat	11.0%	R	4,744	R	(105)								
								Australian APW	Spot Wheat	9.2%	R	4,905	R	(156)								
SA	Sep'20 Yellow Maize	\$	197	\$	187	\$	10	Argentina	Spot Wheat	10.6%	R	5,520	R	(126)								
US	Sep'20 Yellow Maize	\$	171	\$	164	\$	7															
Argentina	Sep'20 Yellow Maize	\$	176	\$	165	\$	11	South Africa	Spot Wheat	12.0%	R	5,225	R	(275)								
Brazil	Sep'20 Yellow Maize	\$	176	\$	176	\$	-															
Black Sea	Spot Yellow Maize (non GM)	\$	175	\$	175	\$	-															
SA	Sep'20 White Maize	\$	199	\$	188	\$	12	US	Sep'20 Yellow Maize		R	3,829	R	26								
								Argentina	Sep'20 Yellow Maize		R	3,878	R	91								
								Brazil	Sep'20 Yellow Maize		R	3,886	R	(95)								
US	Sep'20 White Maize	\$	204	\$	198	\$	6	South Africa	Sep'20 Yellow Maize		R	3,461	R	82								
Mexico	Sep'20 White Maize	\$	192	\$	192	\$	-															

## News for the week

### Maize

US maize prices traded higher this past week after the decrease in the crop conditions reported this past week while the lower crop and yield estimates released by the Pro Farmer crop tour also added some support. The increased export demand for US maize also added some support with the FOB prices out of South America remaining very strong.

The condition of the 2020 US maize crop declined by 5% last week to 64% rated good to excellent. Two states shown that the maize condition improved last week while the other states shown that the maize condition declined last week.

According to the SAGIS weekly producer deliveries report for the week that ended on 2020/08/21, maize deliveries in South Africa for the 2020/21 harvest season have reached a total of 6 924 685 MT for White Maize and 5 563 359 MT for Yellow Maize. 85.12% of current white maize producer deliveries is graded as WM1, 11.97% is WM2 and 2.87% is WM3. 95.32% of current yellow maize producer deliveries is graded as YM1, 4.27% is YM2 and 0.06% is YM3.

According to the SAGIS weekly import/export report for the week that ended on 2020/08/21, white maize exports for the 2020/21 harvest season have reached a total of 310 963 MT, with 118 981 MT exported to Zimbabwe, 82 495 MT exported to Botswana, 41 957 MT exported to Mozambique. Yellow maize exports for the 2020/21 harvest season have reached a total of 873 530 MT, with 323 189 MT exported to Taiwan, 257 847 MT exported to Korea, 118 276 MT exported to Japan.

Hopes for a record US maize crop have dropped after the advisory service, Pro Farmer decreased production estimates for the US after a severe wind storm and drought decreased yield potential in the top production state of Iowa. Following a crop tour of seven top producing states, Pro Farmer estimated that farmers would harvest a maize crop of 14.820 billion bushels based on an average yield of 177.5 bushels per acre.

South Africa is expected to harvest 15.537 MMT of maize in 2020, which is slightly lower than last month's estimate after wet weather conditions delayed deliveries.

South African (SA) maize prices traded higher for White Maize and Yellow Maize this past week due to higher international prices.

### Wheat

US wheat prices traded higher this past week with higher US maize and soybean markets in the past week and short covering adding some support.

According to agriculture consultancy IKAR, Russian wheat export prices have stabilised last week after a three-week long

decrease that had been triggered by pressure from the promising new crop.

According to the Buenos Aires Grains Exchange, Argentina's 2020/21 wheat yields could decrease as much as 50% in northern and central parts of the country's farm belt due to dryness worsened by unusually strong frosts and crop-eating pests. Since May 2020, wide bands of the Pampas grains belt have had below-normal rainfall. The estimated 6.5 million hectares that were planted with wheat this season was reduced from an original estimate of 6.8 million hectares as farmers grew nervous about the dryness.

Agritel has stated that a sharp decrease in this year France's soft wheat harvest due to adverse weather throughout the crop cycle will decrease exports from the EU's largest grain producer by nearly 40% in 2020/21. Agritel kept its estimate for France's 2020 harvest at 29.22 MMT, which is lower than the 39.5 MMT estimated last year.

South African (SA) wheat prices traded lower this past week this past week due to stronger ZAR and lower international prices.

### Soybeans

International soybean prices traded higher this past week with strong demand from China for soybeans pushing prices higher. Expectations that the US soybean crop could be smaller and the decrease in the good/excellent crop rating also added some additional support to US soybean prices.

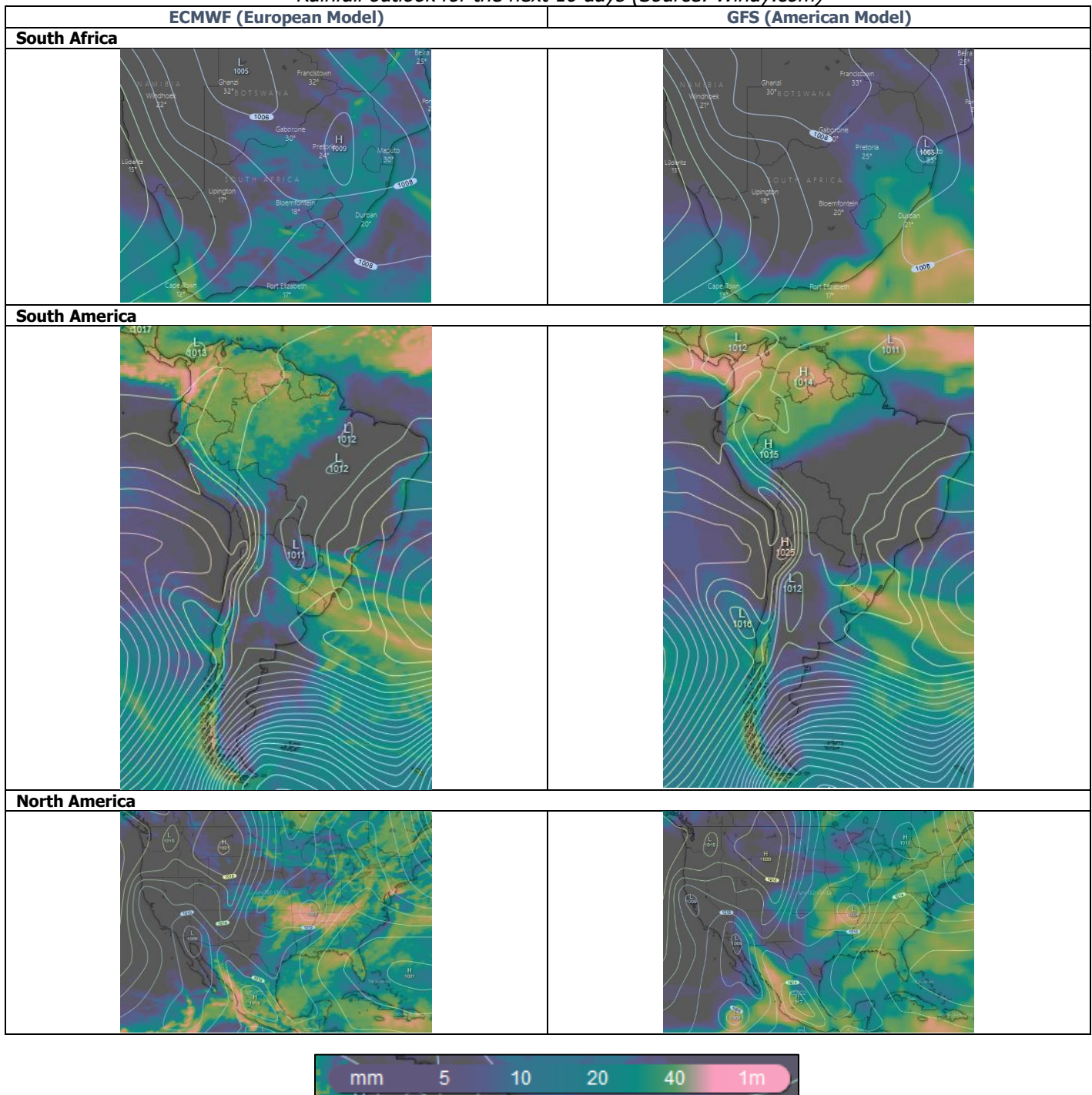
The condition of the 2020 US Soybean crop declined by 3% last week to 69% rated good to excellent. Two states shown that the soybean condition improved last week while the other states shown that the soybean condition declined last week.

India's soybean production could increase by 32% in 2020 to a total of 12.25 MMT from a year earlier due to more area planted and as the yields are expected to increase due to ample monsoon rainfall. Increased production of India's soybeans could help the world's biggest vegetable oil importer trim costly purchases of palm oil, soybean oil and sunflower oil from Indonesia, Malaysia, Argentina and Ukraine.

The Brazilian government reviewed data on the country's seven previous soybean crops, altering the estimated production in the world's largest supplier and exporter of the agricultural commodity. The revision, detailed in a statement from food supply and statistics agency Conab, showed an increase of 14.4 MMT in Brazilian soybean production over the seven years, most of it in the previous three seasons.

South African (SA) soybean prices traded lower this past week due to stronger ZAR.

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



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