

International maize market

Table 1: CME Maize prices and weekly changes (cents/bushel)

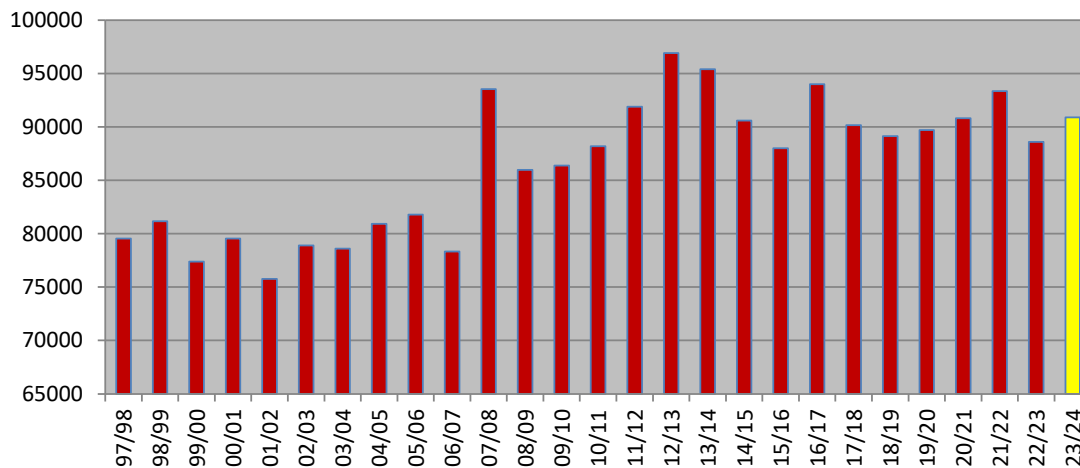
	Currently	08/03/2023	Weekly change (c/bu)	Monthly change (c/bu)
CME Jul-23	629	612	17	7
CME Dec-23	570 ¼	554 ½	15 ¾	½

- US corn prices traded higher in the past week with both the old and new crop contracts gaining some ground. On a monthly basis July CME corn prices are 1.1% higher while new crop December corn prices are flat week/week.
- On the chart for July CME corn we see that the market did get some support around \$6.10 and prices pushed higher after that. July corn prices broke above the 9-day average and some more follow through buying was seen with the market currently getting some resistance around \$6.30/bushel.
- US corn traded higher in the past week with the improved export demand for US corn especially out of China adding some support. The USDA has reported several private sales of US old crop corn to China in the 2nd half of March 2023.
- The next potential marketing moving event will be the USDA quarterly stocks and new crop acreage estimates due to be released on Friday. The market is looking for a 2.6% year on year increase in the US corn area planted in 2023.

USDA acreage and stocks report

- The USDA will release their March 31st acreage and stocks report on Friday. The average market expectation of the US March 1st quarterly corn stocks is seen at 7.470 billion bushels compared to the 7.758 billion bushels seen the same time last year.
- The average market expectation of the US 2023 corn area planted is seen at 90.880 million acres which is up from the 88.579 million acres planted in 2022. The graph below presents the US corn acreage estimates seen in the past few seasons with the 2023 estimates based on the market expectation.

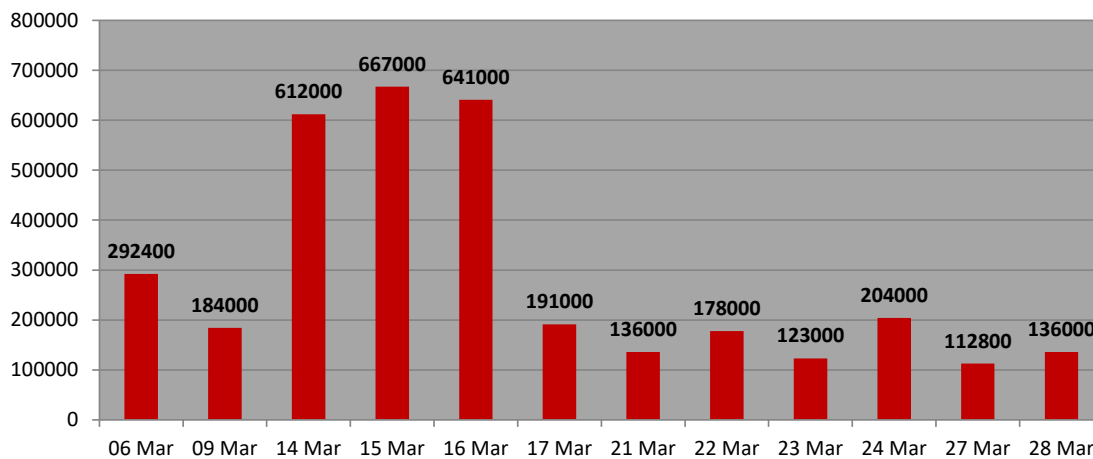
Figure 1: US maize area planted (000 acres)



US corn exports

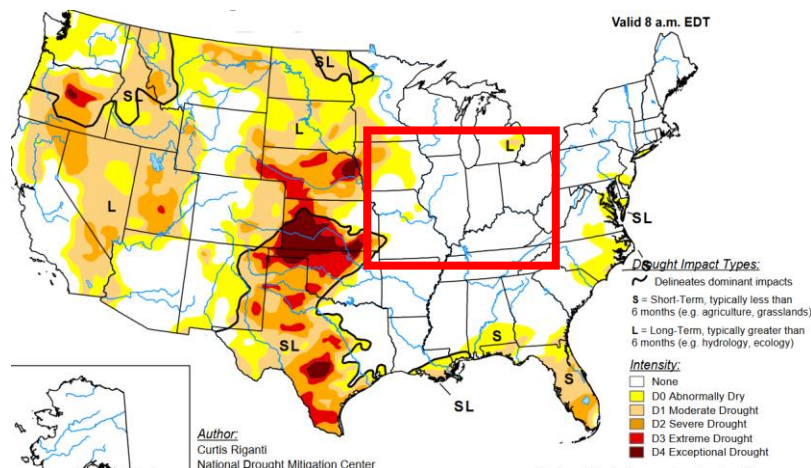
- There has been increased demand for US corn out of China in the past 2-weeks which has been a source of support for US old crop corn contracts. The graph below presents the daily sales reported in the US from the beginning of March. By far the majority of the daily sales reported was sold to China.

Figure 2: USDA Daily corn export sales reported



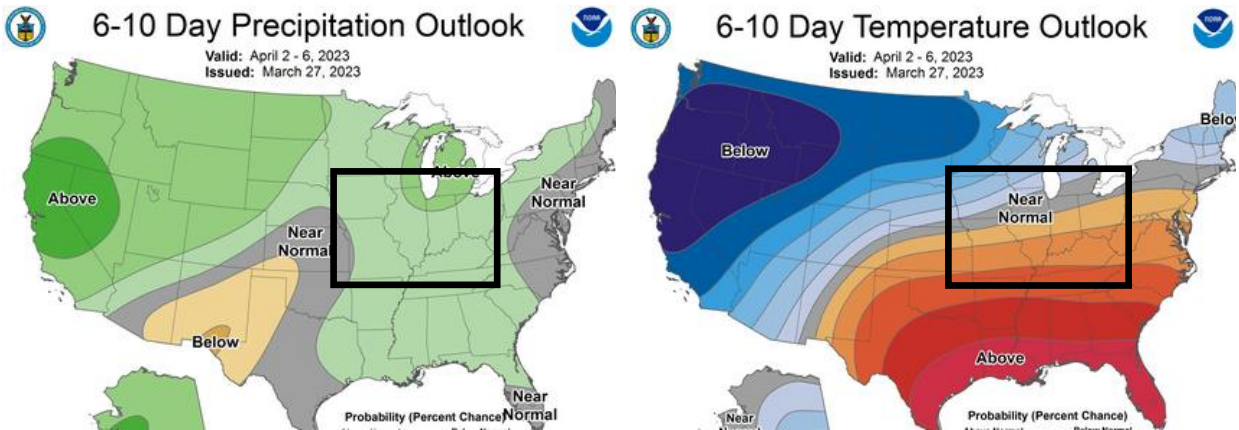
US weather conditions

- The weather map below presents the US Drought monitor released at the end of last week. From the weather map below we see that most of the US Midwest is in good shape ahead of the US corn planting season with some drought conditions seen in the far western parts (western parts of Iowa).



- The weather map below presents the US 6-10 day precipitation and temperature forecasts. From the weather maps below we see that mostly normal/above normal rainfall is forecasted for the key

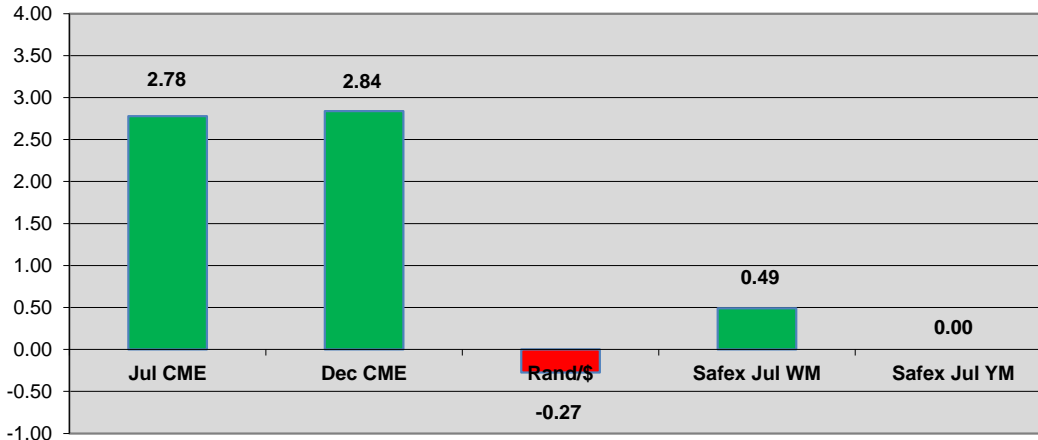
areas of the US Midwest in the 6-10 day forecast. The temperature forecast expects mostly normal conditions.



LOCAL MAIZE MARKET

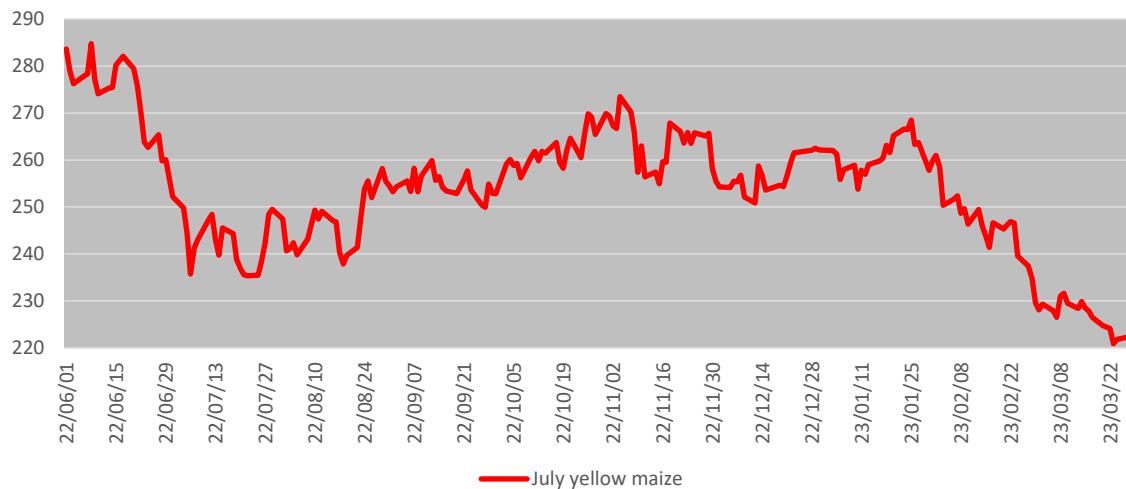
- South African maize prices were relatively flat in the past week with July white maize ending 0.49% higher and July yellow maize unchanged week/week. Local maize prices were mostly flat despite the higher CME July and December prices seen in the past week.
- The rand posted some gains and is currently trading around R18.17/\$ compared to the R18.22/\$ seen a week ago. The rand traded as low as R18.00/\$ in the past week but has since pulled off that level. Support for the rand is seen at the 40-day average currently around R18.13/\$.
- On the chart for July Safex white maize we see that the market did get some support around R3770-R3765 and prices pushed higher after that. The white maize market was oversold and there was some divergence between the RSI and prices which resulted in some short covering. The moving averages remain under pressure.

Figure 5: Safex WM and YM CME and rand/\$ (% change)



- The graph below presents the July Safex yellow maize prices in dollar terms in the past few weeks. In dollar terms July yellow maize contracts traded as low as \$220/ton in the past week and is currently trading at \$224.65/ton which is based on a spot rand of R18.20/\$ and is mostly flat in dollar terms week/week.

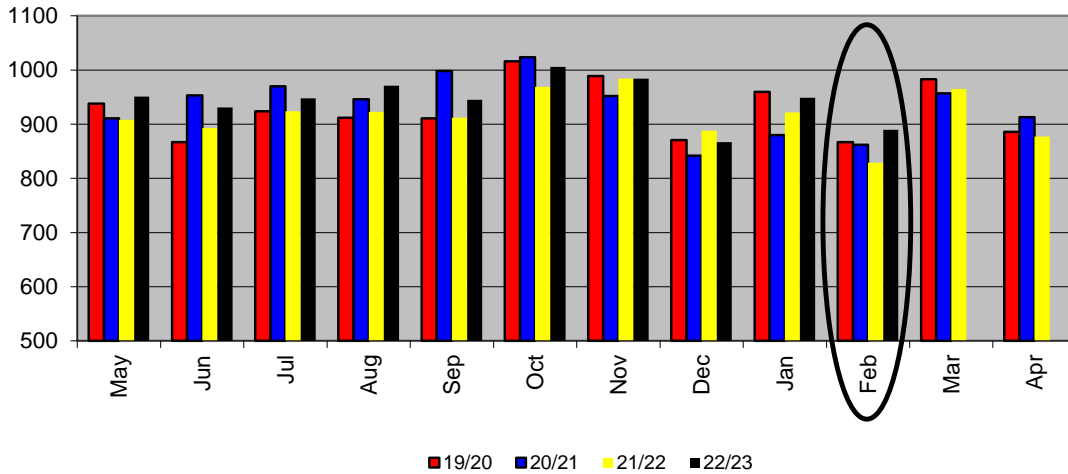
Figure 6: Safex July yellow maize prices (\$/t)



Sagis monthly bulletin

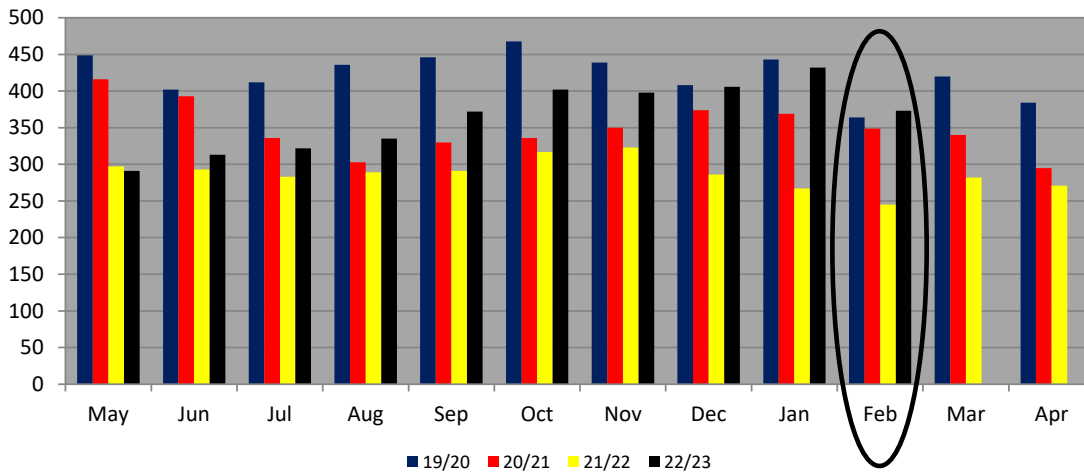
- The Sagis monthly bulletin was released earlier this week. On the supply side of the South African maize market we see that 209 860 tons of maize was delivered in the past week. The maize that was delivered included 118 704 tons of white maize and 91 156 tons of yellow maize. There have been zero maize imports in the season to date.
- On the demand side of the South African maize market we see that the total maize processed for the local market in month of February 2023 was reported at 883 533 tons which is down from the 949 175 tons seen in the previous month. The cumulative total maize processed for the local market in the season to date is seen at 9.481 million tons which is 1.8% higher than the same time last year. The graph below presents the monthly total maize processed for the local market in the current season as well as in the past few seasons.

Figure 7: Total maize processed for local market (000 ton)



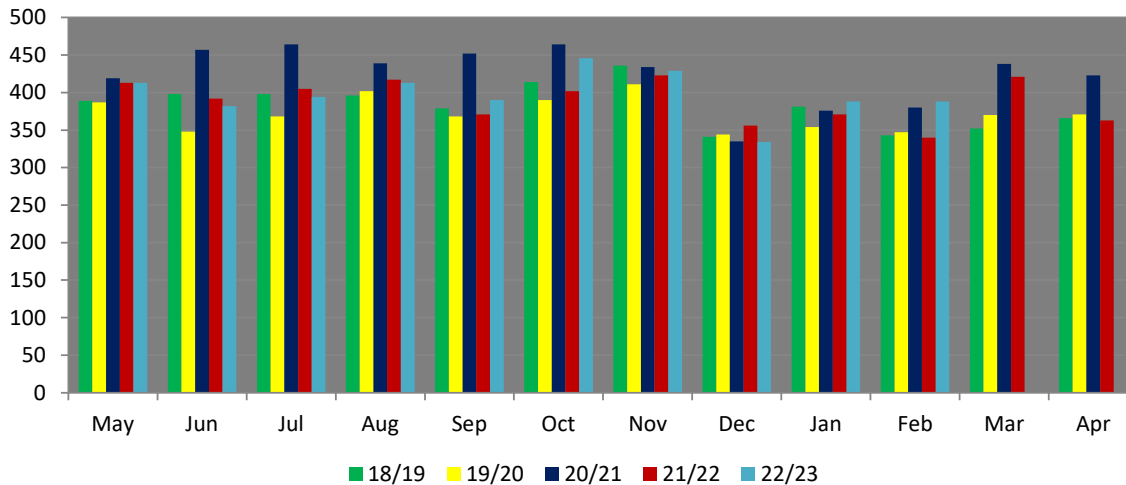
- In the South African yellow maize market the feed usage of yellow maize in the month of February 2023 was reported at 373 453 tons which is down from the 431 638 tons seen in the previous month. The total feed usage of maize (white and yellow maize) in the month of February 2023 was reported at 446 819 tons which is down from the 512 029 tons seen in the previous month. The

Figure 8: Monthly feed usage of yellow maize



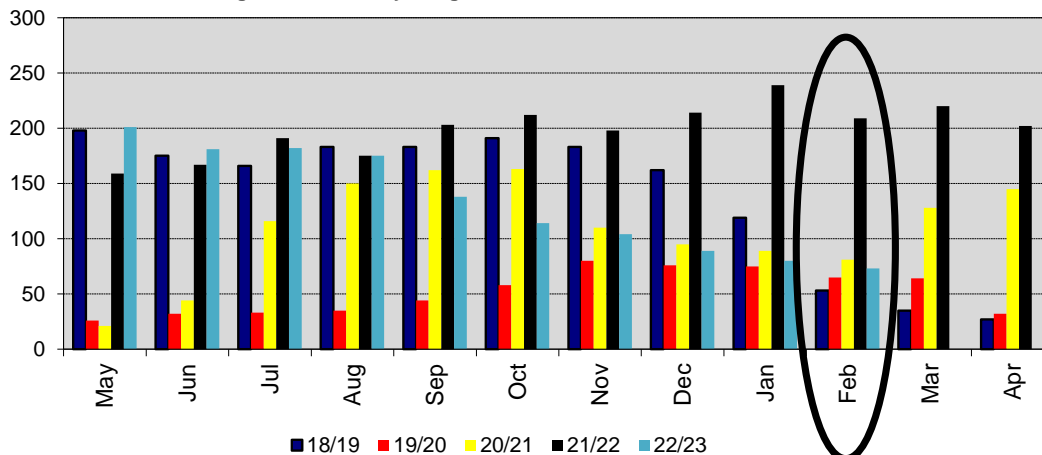
- In the South African white maize market the human consumption of white maize in the month of February 2023 was reported at 387 759 tons which is mostly unchanged from the 388 105 tons seen in the previous month. The cumulative human consumption of white maize in the season to date is seen at 3.969 million tons which is 1.4% higher year/year.

Figure 9: Monthly human consumption of white maize (000 tons)



- The feed usage of white maize in the month of February 2023 was reported at 73 366 tons which is down from the 80 391 tons seen in the previous month. The cumulative feed usage of white maize in the season to date is seen at 1.333 million tons compared to the 1.985 million tons seen the same time last year. The graph below presents the monthly white maize used as animal feed in the current season as well as in the past few seasons. From the graph below we see that the feed usage of white maize in the month of February 2023 has been the lowest monthly total in the 2022/23 season to date.

Figure 10: Monthly usage of WM in animal/industrial sector



- The South African white maize stocks at the end of February 2023 were reported at 2.554 million tons compared to the 2.731 million tons seen the same time last year. The average local demand (excluding exports) in the 2022/23 season to date is seen at 535 000 tons/month and based on this the South African white maize stocks at the end of February 2023 should be enough for 4.7 months



of consumption. However from the weekly Sagis figures we know that there was whole white maize exports of around 250 000 tons in the month of March as well.

- The South African yellow maize stocks at the end of February 2023 were reported at 1.501 million tons compared to the 1.558 million tons seen the same time last year. The South African local demand (excluding exports) in the season to date is seen at 410 000 tons/month and the stock at the end of February 2023 should be enough for 3.6 months of consumption.

Also see the technical graphs below

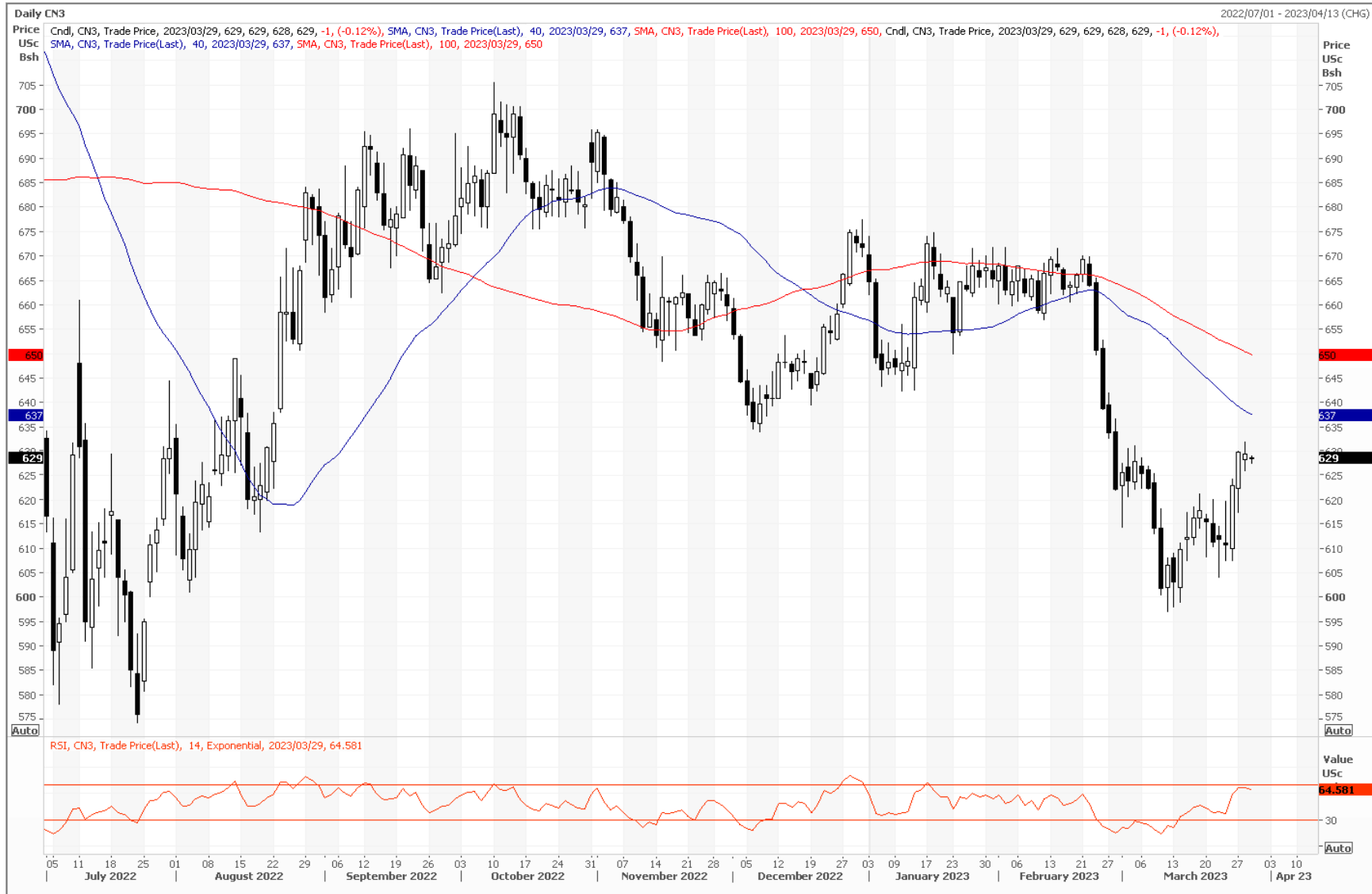
- Safex July-23 white maize prices
- CME July-23 corn prices



WEEKLY MAIZE REPORT 29 MARCH 2023



Although everything has been done to ensure the accuracy of the report NeXgro (Pty) Ltd cannot be held responsible for any losses incurred as a result of the use of the information contained in the report



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