

MAIZE



JANUARY 2025

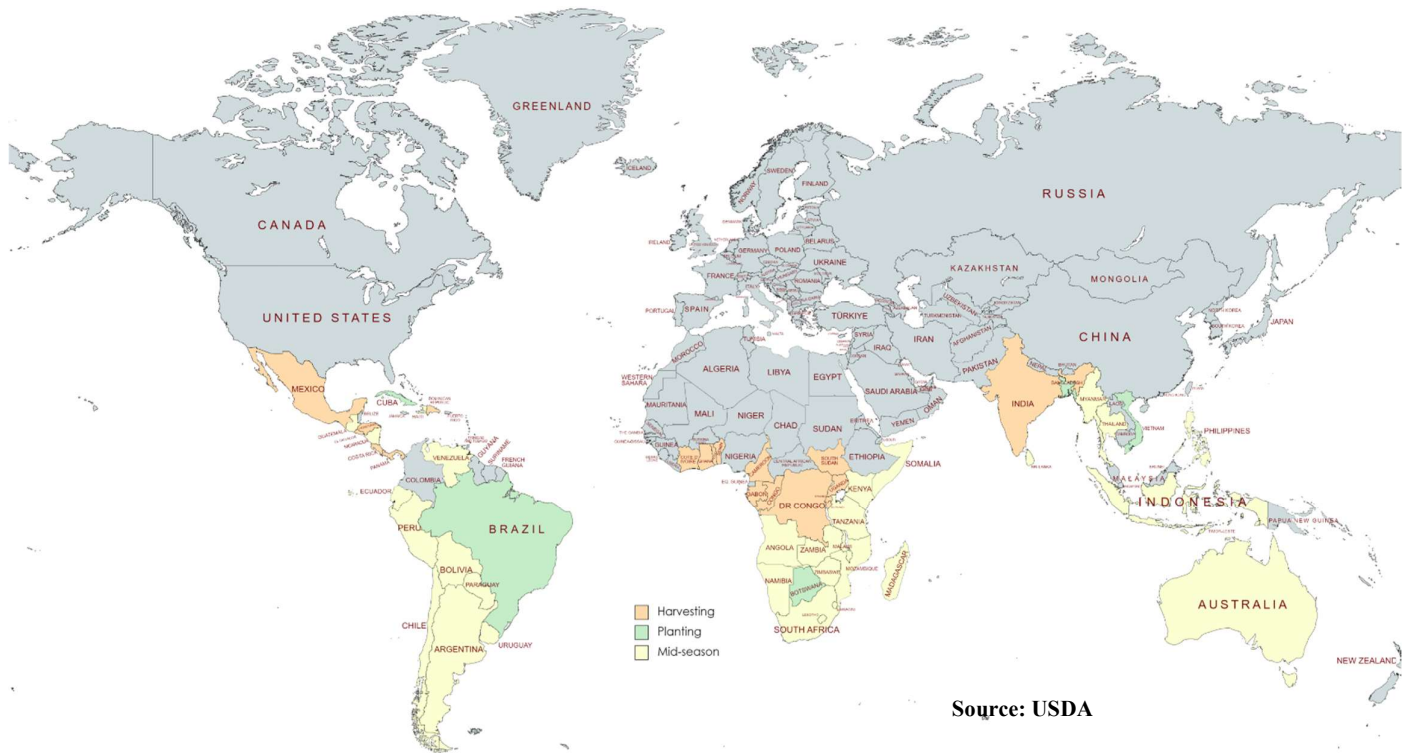
Grain Market Outlook

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This report was compiled by the applied economics team of Grain SA. If you would like any further information, or to be added to the monthly contact list, please feel free to contact Heleen Viljoen at heleen@grainsa.co.za.

1. World maize production

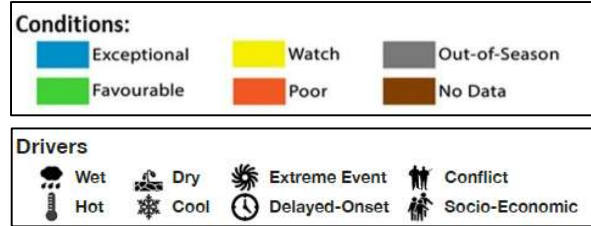
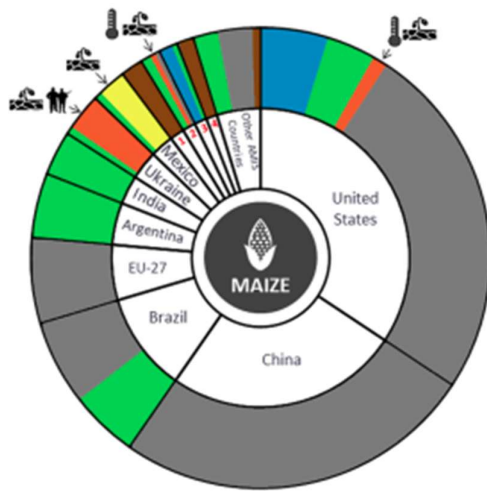


Global crop production conditions

In the **Southern hemisphere**, planting is progressing in Brazil, whilst most other countries in Southern hemisphere have wrapped up the planting phase. In the **Northern Hemisphere**, maize production is in between production seasons.

Comments on El Niño: The likeliness of La Niña conditions have slightly decreased. The CPC/IRI forecasts a 59% per cent chance of La Niña from November to January 2025. If La Niña does develop, it is expected to be weak and short-lived, with a return to ENSO-neutral conditions likely by December and February 2025.

¹International Research Institute for Climate and Society



Source: Geoglam
Conditions as of November 28th, 2024

South Africa¹, Russian Federation², Canada³, Indonesia⁴

Canada: The season is ending, with above-average yields in Manitoba and Ontario.

Ukraine: Experienced an in-season drought and therefore the harvesting wrapped up under mixed conditions

Mexico: Harvest is commencing for the spring-summer crop under mixed conditions due to dry weather earlier in season. For the Autumn-winter season planting has begun.

Brazil: Rainfall supported the planting and crop development of spring-planted crops. However, dry conditions developed early in January. Prolonged drought could affect yields for the later planted maize crop.

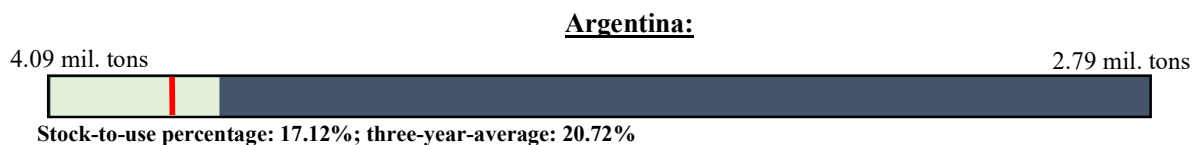
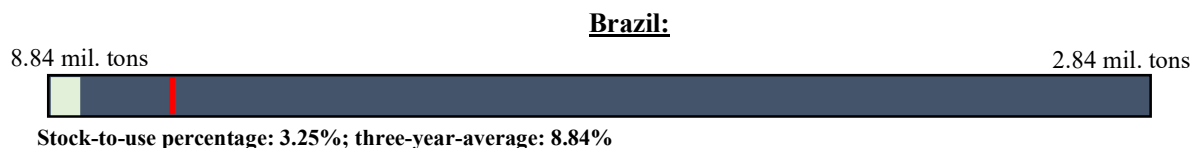
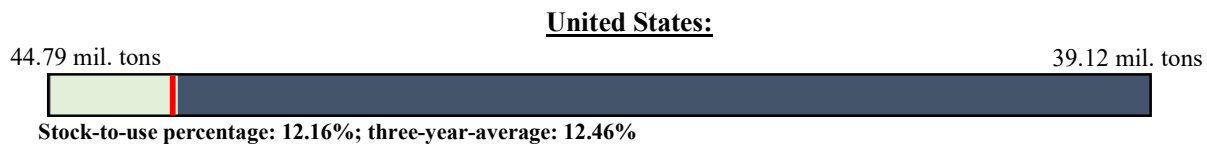
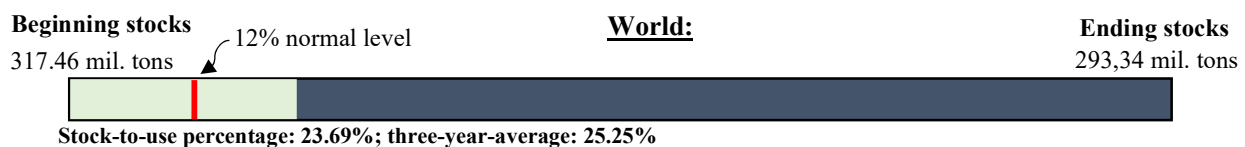
Argentina: Due to good water availability, planting and early development of early-planted crops took place under favourable conditions.

India: Harvesting has wrapped up.

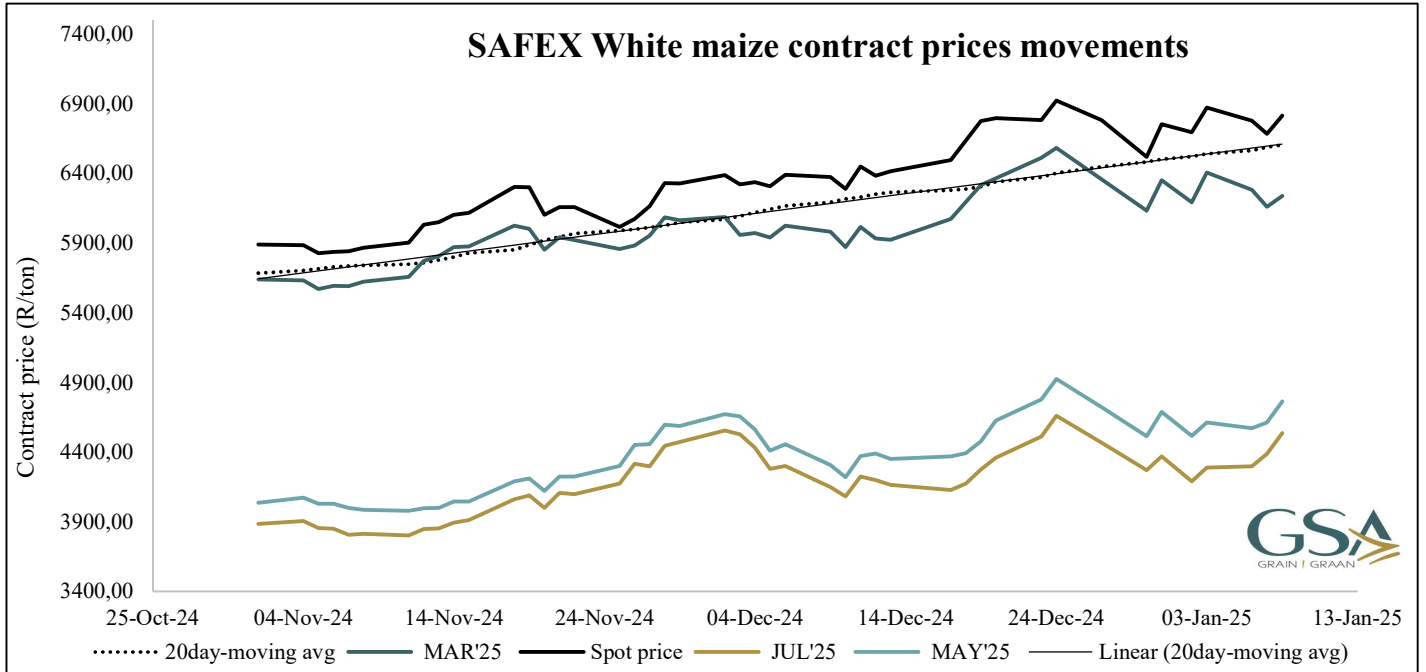
South Africa: Conditions are mixed. During the month of December some summer-production areas received rainfall. However, the moisture in the ground have not yet recovered from the devastating drought in the previous season.

2. World supply and demand

2.1. World Agricultural Supply and Demand (WASDE) JANUARY 2024/2025 Overview



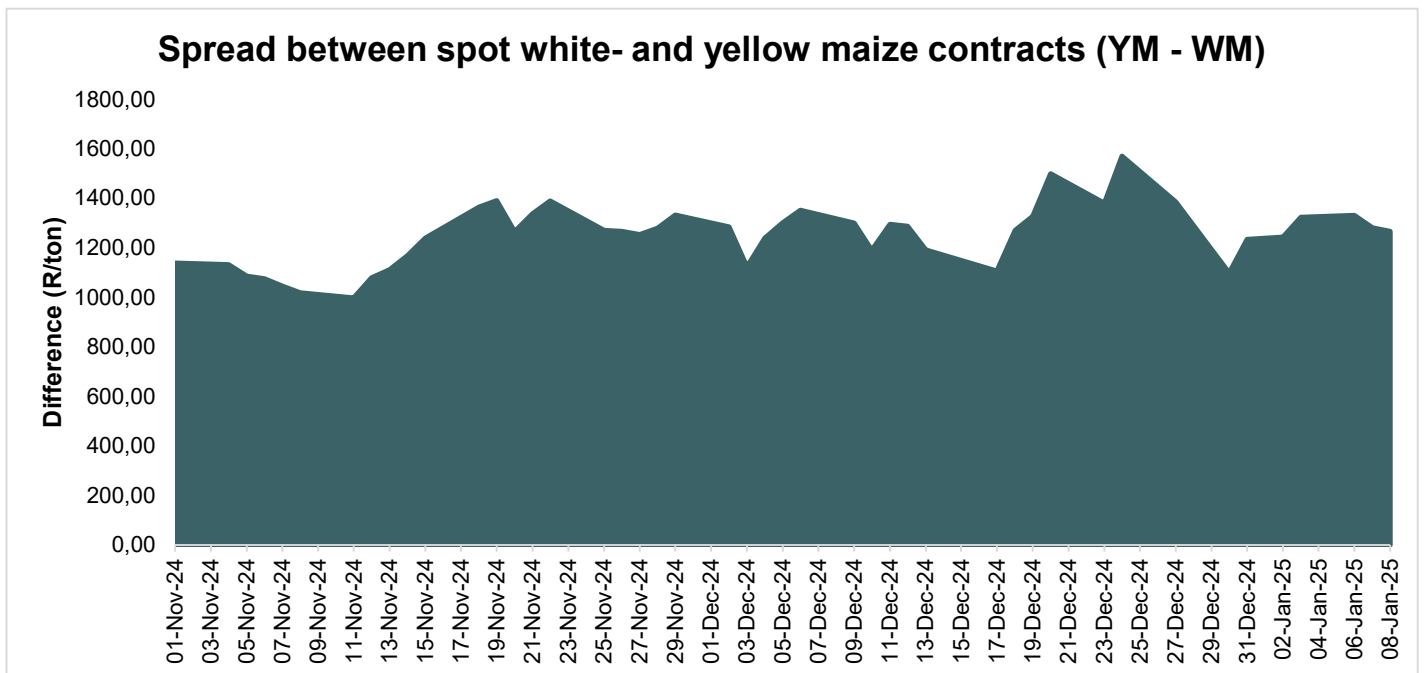
3. Monthly contract price movements (white maize)



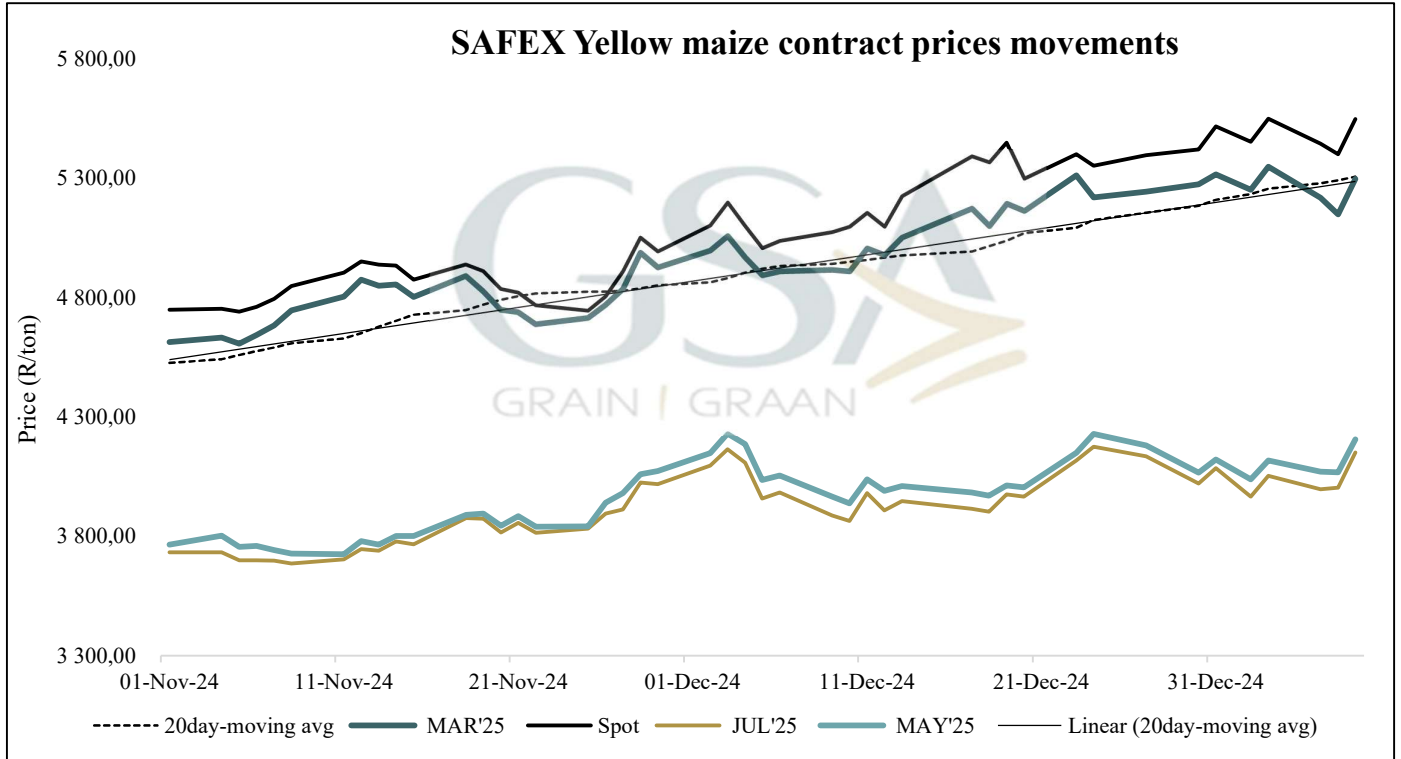
Comments on market movements for maize contracts:

Prices for both white- and yellow maize contracts traded with strong upward trends since the start of November. This is bought on by the short supply of maize in South Africa, and concerns growing as the end of the season is approaching.

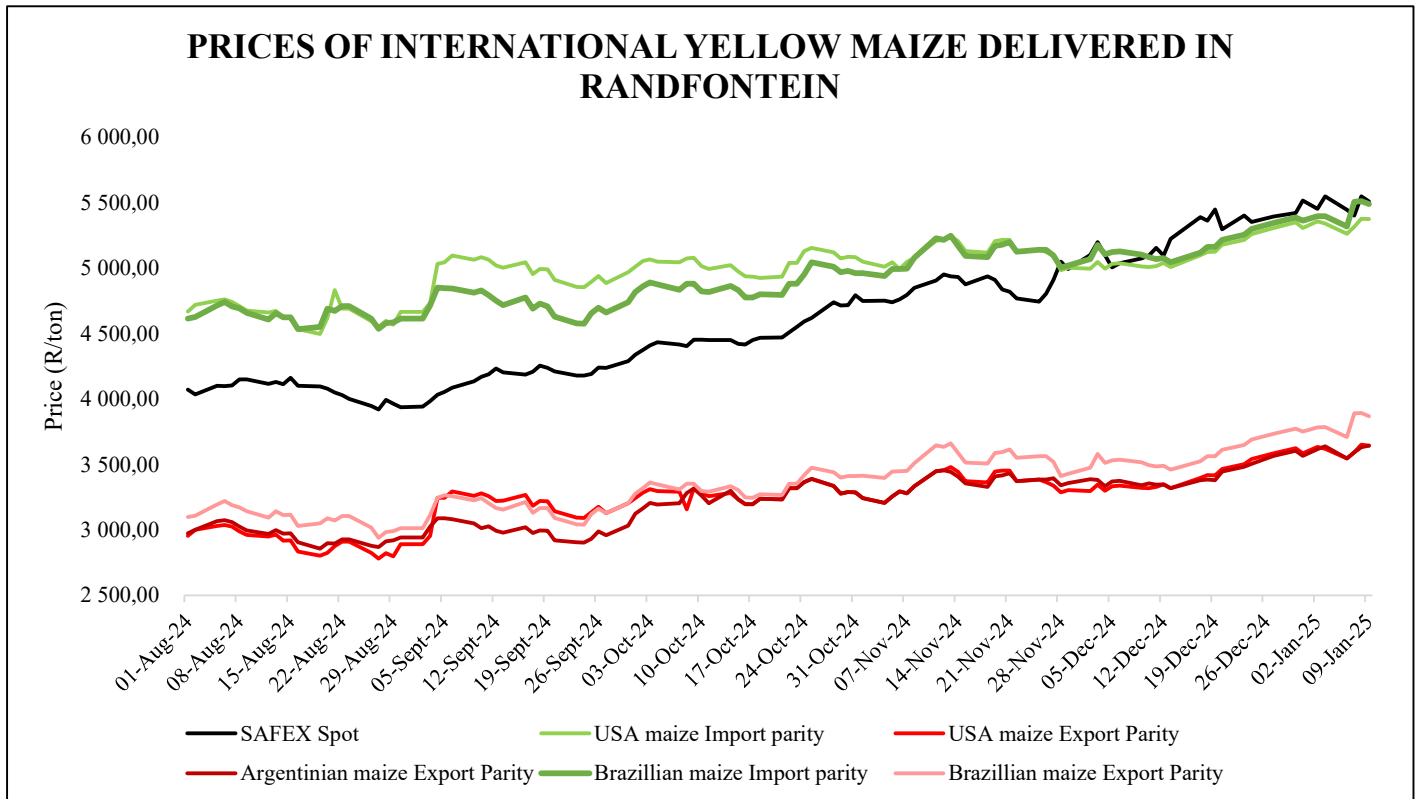
Spot price comparison of yellow- and white maize (YM – WM)



3. Monthly contract price movements (Yellow maize)

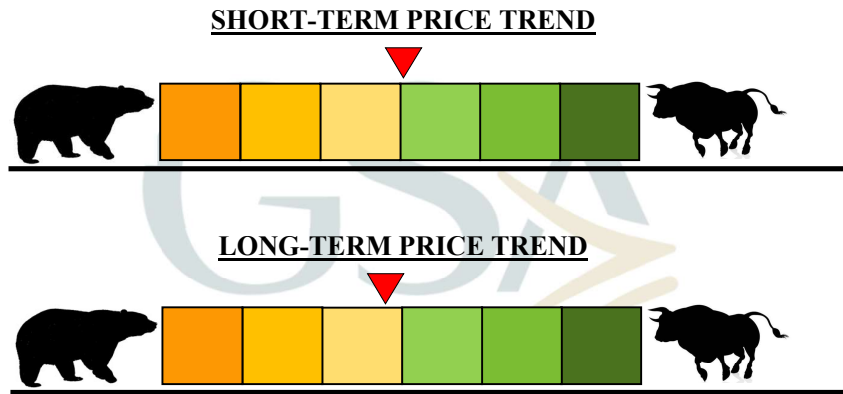


3.1. Import- and export parity movements



4. Final thoughts

US maize exports navigated turbulent waters since 2019 between tariffs and geopolitical tensions. On 20 December 2024 a three-member-trade-dispute panel ruled that restrictions by Mexico on genetically modified (GM) maize exports from the US violated the US-Mexico-Canada (USMCA) agreement. Mexico accounts for nearly 50% of the total US maize export sales annually.



Bearish factors:

- Looking at the next season, SAFEX white maize contracts are trading at a significantly lower price than old season prices, which could apply downward pressure in the future.
- Ample global supplies could apply pressure to prices in the longer-term.

Bullish factors:

- Lower maize production in South Africa supports prices. White maize prices are especially supported by higher demand for exports from neighbouring countries.
- In the latest monthly IGC report, the agency revised global maize ending stocks downward. The expectation is that ending stocks can decline by 10 million tons year-on-year.
- The South African beef exports have increased by 25% year-on-year, expanding local demand for maize for animal feed use. This could support maize prices in the longer term.
- If below-average rainfall continues in Argentina and parts of Brazil, global markets could find some support.
- In the January WASDE report global, and US, production was estimated significantly lower. This led to global ending stocks also seeing a reduction.

This report was compiled by the applied economics team of Grain SA. If you would like any further information, feel free to contact Heleen Viljoen at heleen@grainsa.co.za.

Best regards,

Grain SA economy team

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