



Retail and Business Banking  
Sector Economics  
AgriBusiness  
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## Agri Trends: Grains and Oilseed Report

**Bullish macroeconomic environment and hot U.S. finishing weather boost CBOT prices.**

**Maize:** CBOT corn prices rebounded from four-year lows, increasing by 12.2% to three-month highs in mid-September, compared to a month prior. While production conditions remained favorable throughout most of the U.S. 2024/25 production season, dry conditions from mid-August have weighed slightly on the market, presenting price momentum. SAFEX maize prices increased month-on-month, increasing by about 4.0% in mid-September on the back of the elevated regional maize demand and global price increases on the back of a weaker dollar.

**Wheat:** CBOT wheat prices regained some momentum, increasing by 14.6% and 11.5% month-on-month for CBOT SRW and HRW respectively by mid-September. Weather-induced crop losses for the European Union (EU) coupled with dry conditions in Ukraine and Russia supported CBOT prices. SAFEX wheat prices reversed the gains that were apparent in August, decreasing by 3.8% month-on-month in mid-September.

**Oilseeds:** Hot, dry weather in parts of the U.S. during August also raised yield concerns for the soybean crop. Consequently, CBOT soybean prices regained some ground, increasing by 5.7% month-on-month. SAFEX soybean prices traded sideways around the R8500 per ton mark since August while SAFEX sunflower seed prices increased by 2.5% month-on-month.

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## Agri Trends

### Maize market trends

#### International maize market

CBOT corn prices rebounded from four-year lows, increasing by 12.2% to three-month highs in mid-September compared to a month prior. While production conditions remained favorable throughout most of the U.S. 2024/25 production season, dry conditions from mid-August have weighed slightly on the market, presenting price momentum. Additionally, the weaker dollar amidst U.S. monetary rate cuts made CBOT corn more attractive, presenting some price support. The U.S. Department of Agriculture in the weekly crop progress report rated 65% of the corn crop as good to excellent on September 16, up 1 percentage point from a week ago and the U.S. harvest was 9% complete ahead of the 6% five-year average. CBOT corn prices remain notably lower compared to a year ago.

	R/US	Near-month CBOT corn (\$/ton)	USA YM Import parity Randfontein (R/ton)	US YM Export parity Randfontein (R/ton)	Argentina YM Export parity Randfontein (R/ton)
Price	17.55	162	4867	3091	2969
w/w	-1.7%	5.6%	0.5%	1.7%	-1.6%
m/m	-1.4%	12.2%	-2.9%	6.3%	5.1%
y/y	-7.4%	-13.6%	-	-	-29.4%

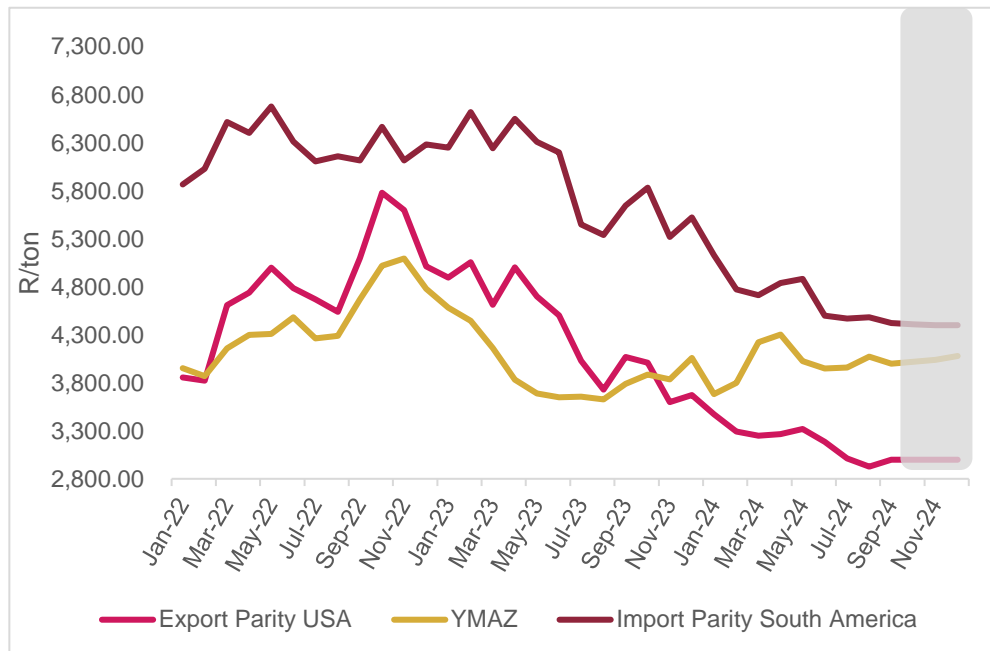
#### Local maize market

SAFEX maize prices edged higher month-on-month, increasing by about 4.0% in mid-September. White maize prices reached new highs this season, peaking at R5600 on September 12 on the back of the high regional maize demand coupled with the 27.2% forecasted local production declines. Additionally, prices were also fueled by global price increases on the back of a weaker dollar. The rand continued to appreciate, strengthening by 1.4% compared to the previous month, limiting excessive price increases. The U.S. central bank kicked off its monetary easing cycling, reducing its policy rate by 50 basis points on inflation declines since last year.

	JSE WM spot price Randfontein (R/ton)	White maize Dec-24 (R/ton)	White maize Mar-25 (R/ton)	JSE YM spot price Randfontein (R/ton)	Yellow maize Dec-24 (R/ton)	Yellow maize Mar-25 (R/ton)
Price	5559	5553	5192	4255	4236	4218
w/w	-1.0%	0.1%	-0.6%	1.6%	0.3%	0.1%
m/m	4.0%	3.2%	3.2%	3.9%	1.0%	0.9%
y/y	36.1%	30.0%	-	7.6%	2.1%	-

#### Outlook

SAFEX maize prices are expected to remain at their current highs, supported by both local and global market factors. Locally, strong demand will likely continue to provide price support, while higher CBOT prices are also anticipated to contribute to upward price pressure.



**Figure 1: Yellow maize prices and price projections**

\*Section in grey represents Absa AgriBusiness forecasts

## Wheat market trends

### International wheat market

CBOT wheat prices regained some momentum, increasing by 14.6% and 11.5% month-on-month for CBOT SRW and HRW respectively by mid-September. Weather-induced crop losses for the European Union (EU) coupled with dry conditions in Ukraine and Russia supported CBOT prices. Wheat production for the EU's 2024/25 season is forecasted to decrease by 8.1% compared to the previous season, according to the September World Agricultural Supply and Demand Estimates (WASDE) report. Escalating tensions in the Black Sea continue to present upside price risks. Although sizeable exports of cheap Black Sea wheat continue to limit excessive price runs.

	R/USD	CBOT SRW (USD/t)	CBOT HRW (USD/t)
Price	17.55	212	213
w/w	-1.7%	0.8%	0.3%
m/m	-1.4%	14.6%	11.5%
y/y	-7.4%	-0.6%	-18.5%

### Local wheat market

SAFEX wheat prices reversed the gains that were apparent in August, decreasing by 3.8% month-on-month in mid-September. Production conditions remain favorable, though rainfall in August and September was lower than anticipated. However, grains benefited from a wet start to the season in certain areas. SAFEX wheat prices remain notably lower compared to a year ago.

	JSE spot price (R/ton)	Dec-24 (R/ton)	USA import parity (R/ton)
Price	5984	6002	6238
w/w	-3.0%	-0.8%	-1.2%
m/m	-3.8%	-1.9%	8.7%
y/y	-14.7%	-	-15.2%

## Outlook

SAFEX wheat prices are expected to trade sideways around the R6,000 per ton mark over the next months. SAFEX prices remained muted despite global gains. Production declines

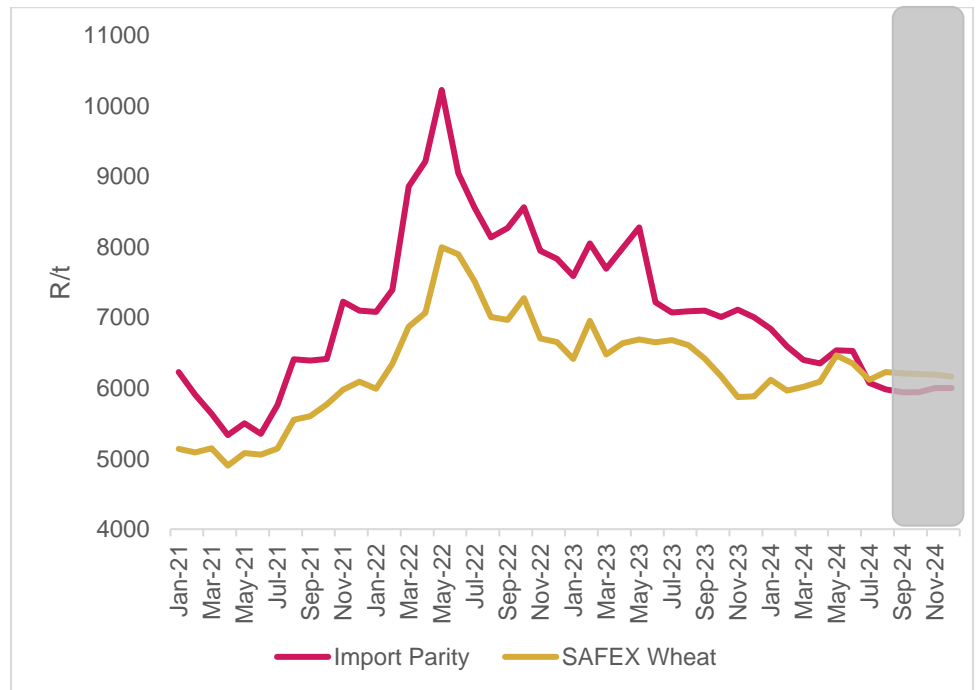


Figure 2: International and SAFEX wheat price projections

\*Section in grey represents Absa AgriBusiness forecasts

## Oilseed market trends

### International oilseed market

Hot, dry weather in parts of the U.S. during August also raised yield concerns for the soybean crop. Consequently, CBOT soybean prices regained some ground, increasing by 5.7% month-on-month. However, U.S. production is still expected to reach record highs, which will likely cap any significant price gains. The U.S. soybean crop condition was rated 64% good-to-excellent on September 16, ahead of last year's 52% during the same period.

	R/USD	Soybean CBOT (USD/ton)	CBOT soy oil (USc/lb)	CBOT soya meal (USD/ton)
Price	17.55	370	41	318
w/w	-1.7%	2.0%	-0.3%	0.8%
m/m	-1.4%	5.7%	-2.2%	3.8%
y/y	-7.4%	-22.4%	-32.4%	-18.1%

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### Local oilseed market

SAFEX soybean prices traded sideways around the R8500 per ton mark since August while SAFEX sunflower seed prices increased by 2.5% month-on-month. Local soybean prices remain notably lower year-on-year, decreasing by 12.5% on lower global prices.

	Derived soybean price (R/ton)*	JSE soybean spot price (R/ton)	JSE sunflower seed spot price (R/ton)
Price	10 697	8470	9100
w/w	0.2%	-1.2%	0.8%
m/m	1.4%	0.8%	2.5%
y/y	-5.4%	-12.5%	1.2%

\*Derived soybean price: Calculated price based on the imported price for soybean oil and oilcake

### Outlook

Soybean prices are expected to trade sideways around the R8500 per ton mark over the next few months. In the 2024/25 South American production season, soybean planting is expected to increase. Despite the pressure from low global prices, soybean remains a profitable crop driven by increased crushing and biofuel production.

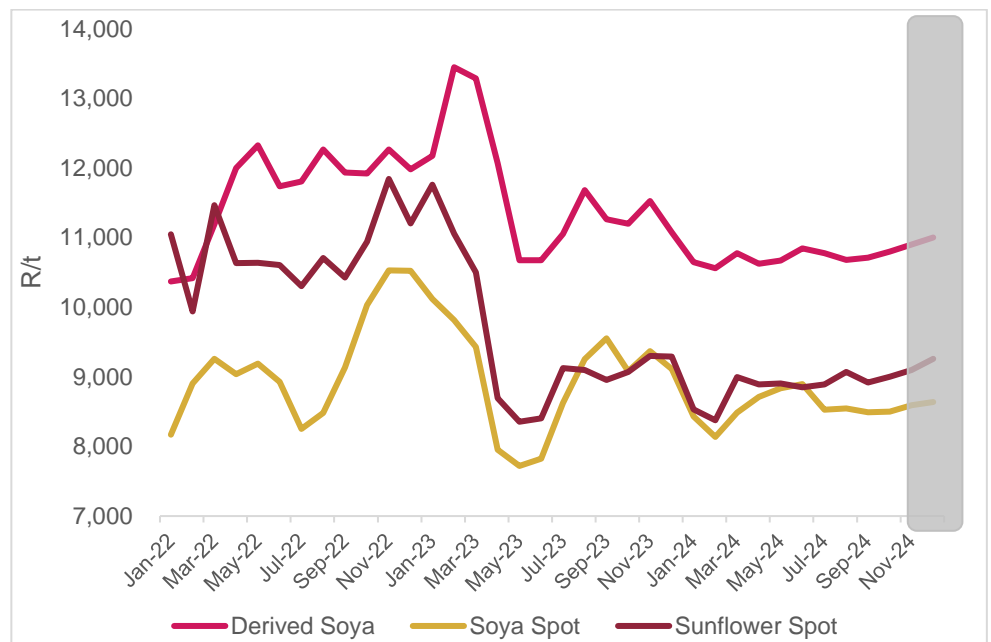


Figure 3: SAFEX oilseed price projections

\*Section in grey represents Absa AgriBusiness forecast