



Livestock & Meat Advisory Council

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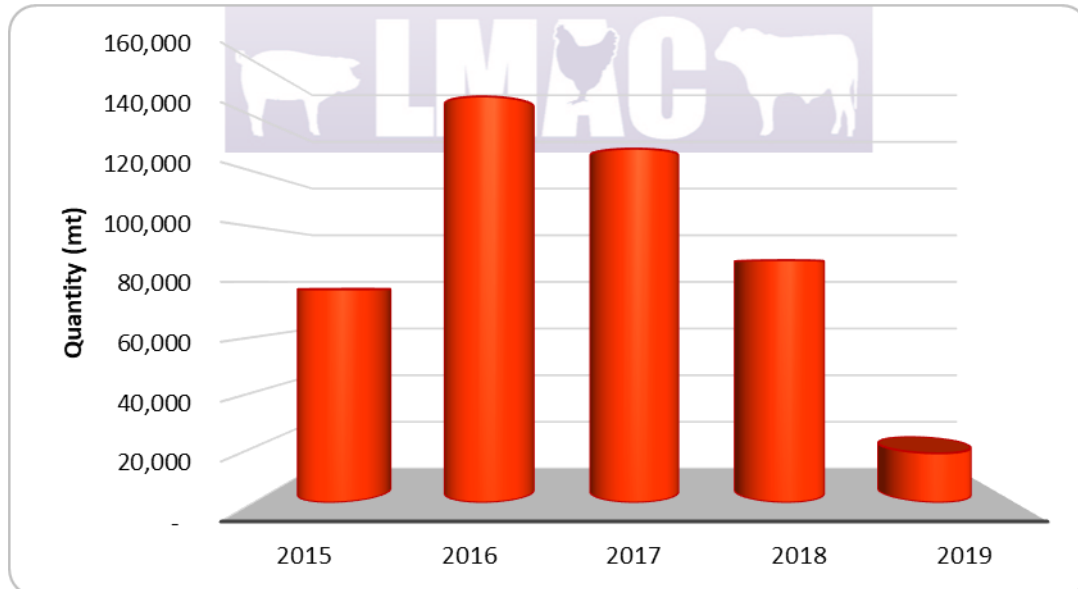
Market Watch Third Quarter 2019

Maize

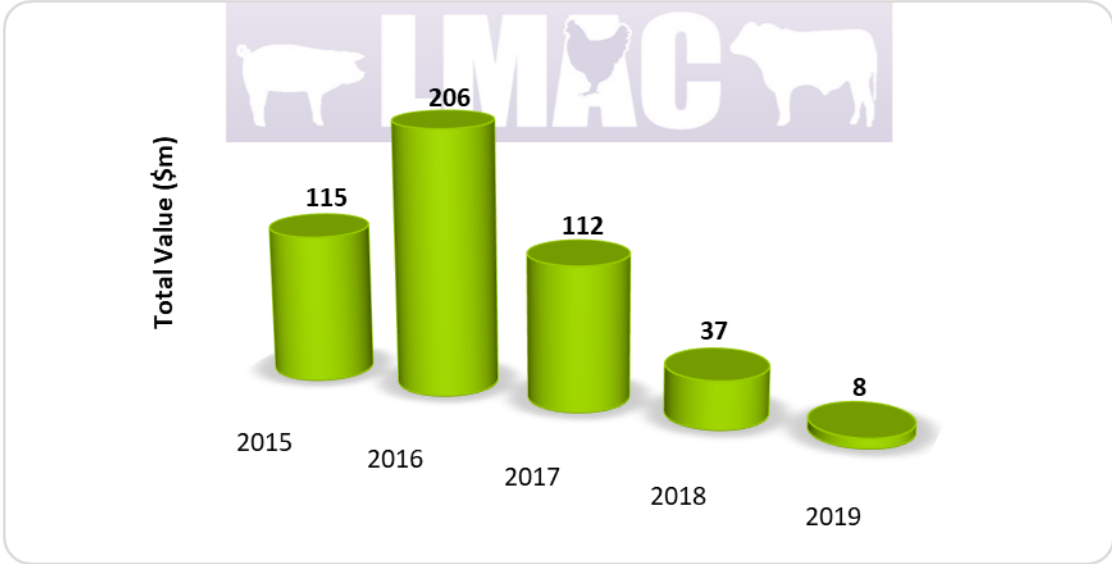
Imports

Imports of maize into the country have drastically reduced in the period January to September 2019 with USD 7.5million worth of imports amounting to 17,848mt. In the corresponding period in 2018, 87,864mt of maize worth USD 37.2million was imported.

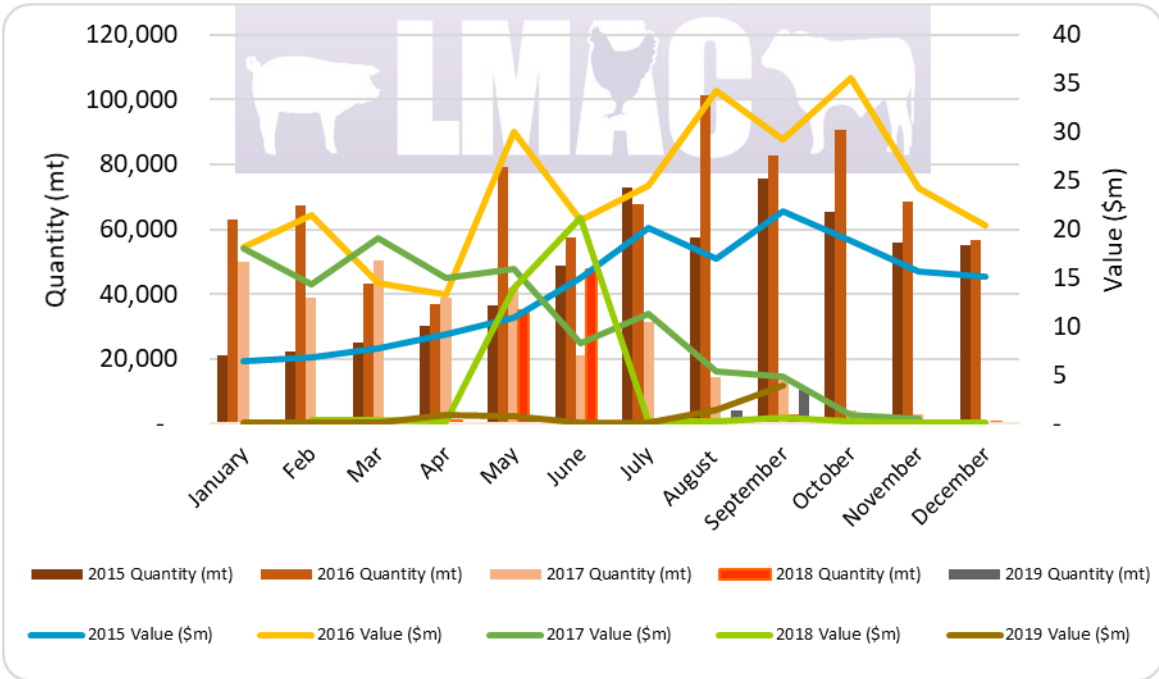
The average import price was USD 381/mt which is 46% lower than the average of \$423/mt for January to September 2018.



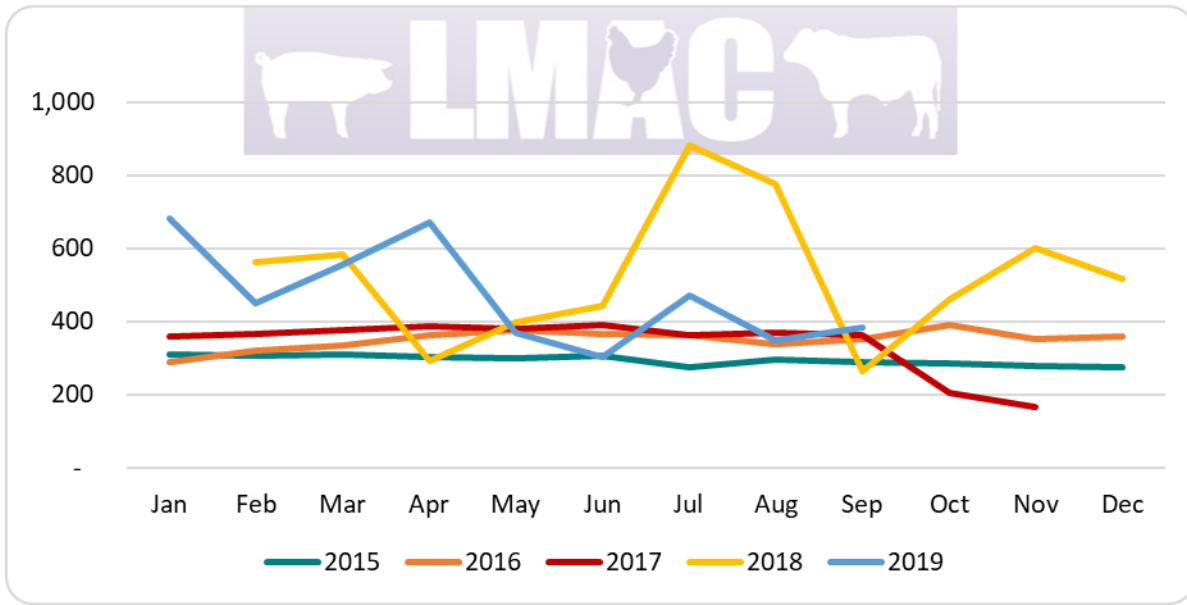
Maize Imports (mt), 2015 – September 2019



Total Value of Maize Imports 2015 – September 2019



Monthly Maize Imports, 2015 – September 2019



Average Maize Import Price (USD/mt), 2015 – September 2019

Domestic Market

Priority has shifted to the tender for the import of 750,000mt of maize, which although having been awarded, is yet to be enacted as the financial terms are have not been agreed upon. Maize imports from Tanzania have been received under a government to government arrangement.

The low volume of maize imports to date have raised concern as significant imports will be required at the tail end of the farming season, giving rise to potential logistical challenges.

The livestock industry is experiencing increasing difficulty accessing maize supplies as shifting government policies such as prioritisation of maize for human consumption has altered the supply dynamics from traditional sources for industry players. The government has softened its stance on the import of genetically modified yellow maize solely for use in the livestock sector, subject to stringent biosecurity and supervision protocols being implemented.

The weather outlook for the 2019/2020 agricultural season forecasts average to below average rainfall.

Regional Markets

Kenya, Mozambique and Zambia are expected to import notable volumes of grains in the 2019/20 marketing year. Estimated maize imports could be as high as 2million mt but large global supplies are expected to ameliorate the grain shortfall in eastern and southern Africa.

South African commercial maize production for the 2018/2019 season was 16,769million mt as detailed below.

South African Maize Production by Province	Percentage
North West	18.6
Mpumalanga	20.6
Limpopo	3.0
Gauteng	4.6
Free State	43.7
KwaZulu-Natal	4.4
Eastern Cape	0.6
Western Cape	0.1
Northern Cape	4.4

In Zambia, the 2019 maize crop was harvested by June and production is estimated at 2million mt, a decline of 50% compared to the average yield and 400,000mt below the 2018 harvest. The decrease is mainly driven by significant rainfall deficits in the southern, western and central provinces, which combined, account for about one-third of the national maize harvest. Their shortfall of 200,000mt is expected to be filled by imports from within the region.

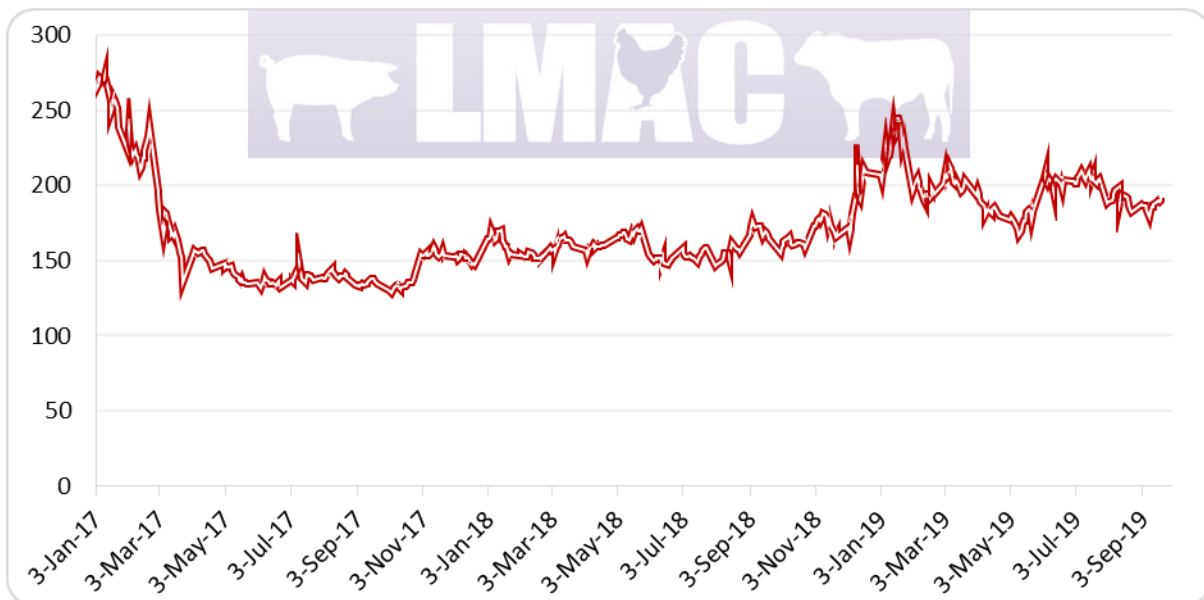
Global Markets

The world's total maize exports for 2018 according to data from the International Trade Commission data was 171mt and the table below shows exports by countries by percentage share.

Top Maize Exporting Countries	Percentage
USA	41
Brazil	14
Argentina	14
Ukraine	13
France	3
Russia	3
Romania	3
South Africa	1
Canada	1
Paraguay	1
Others	6

The International Grains Council forecasts the 2019/20 grains production globally at 2.2billion mt, 1% higher than the previous season. Maize and soyabean yields of 1.1billion and 342million mt (decreases of 3 and 6% from the previous season), respectively, are expected to be overshadowed by an increased production of wheat and rice.

SAFEX prices ex Randfontein for white maize were trading between USD 140 – 160/mt in September 2019.



SAFEX Prices ex-Randfontein for White Maize (\$/mt)