

Orville Fisher White Corn Newsletter

November, 2016

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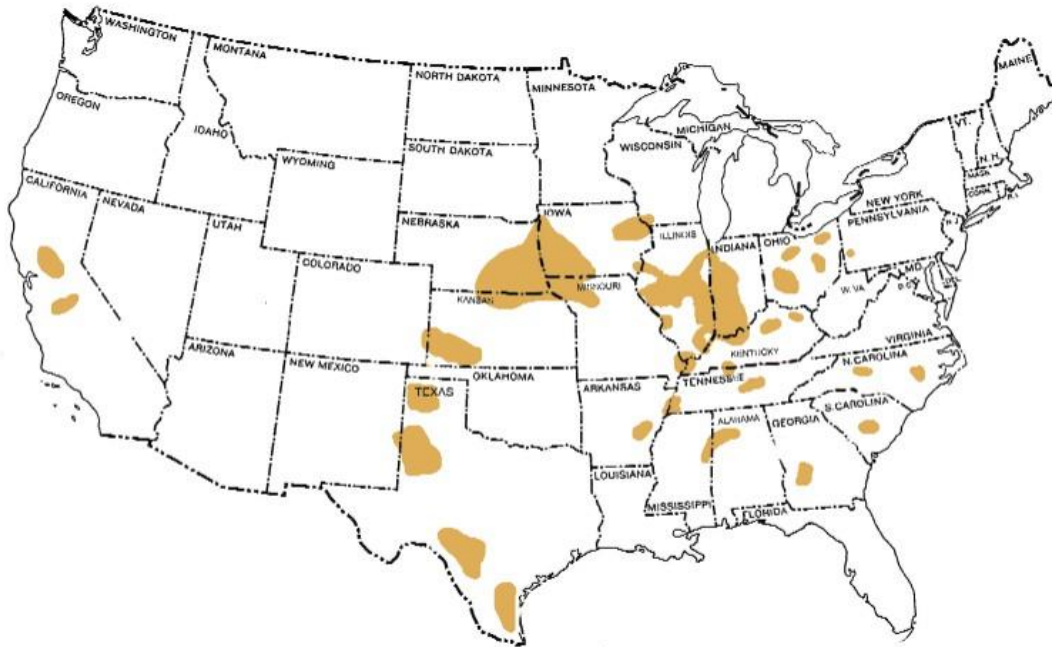
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Key US White Corn Growing Regions



(Chart 1- Source: GRM / Industry)

Key Global White Corn Production Cycles

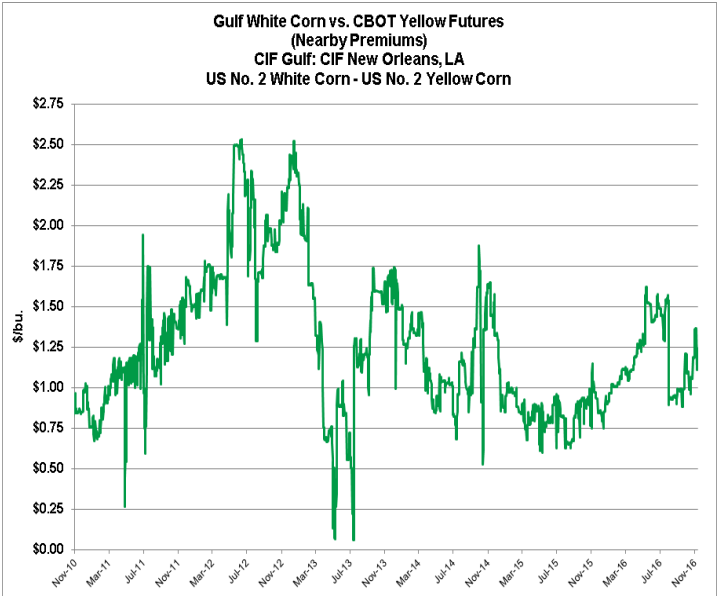
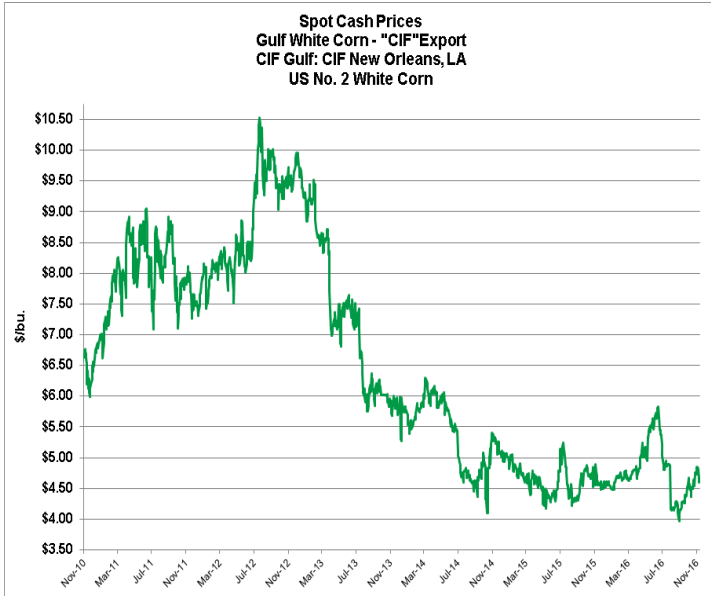
<p>CROP CALENDAR FOR MEXICO</p> <p><i>NORTHWESTERN MEXICO (15-20% of production)</i></p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <table style="width: 100%; text-align: center;"> <tr> <td style="width: 100px;">HARVEST</td> <td style="width: 100px;">PLANT</td> </tr> </table> </div> <p style="font-size: small; text-align: center;">JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC</p> <p style="font-size: x-small;">Summer planted corn accounts for about 80-85 percent of total production. Add 1-2 months to the above crop calendar for corn grown in the Yucatan Peninsula</p> <p><i>REST OF MEXICO (80-85% of production)</i></p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <table style="width: 100%; text-align: center;"> <tr> <td style="width: 100px;">PLANT</td> <td style="width: 100px;">SILK</td> <td style="width: 100px;">HARVEST</td> </tr> </table> </div> <p style="font-size: small; text-align: center;">JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC</p>	HARVEST	PLANT	PLANT	SILK	HARVEST	<p>CROP CALENDAR FOR USA</p> <p><i>MOST OF USA</i></p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <table style="width: 100%; text-align: center;"> <tr> <td style="width: 100px;">PLANT</td> <td style="width: 100px;">TASS/SILK</td> <td style="width: 100px;">HARVEST</td> </tr> </table> </div> <p style="font-size: small; text-align: center;">JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC</p> <p>CROP CALENDAR FOR REPUBLIC OF SOUTH AFRICA</p> <p><i>MOST OF SOUTH AFRICA</i></p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <table style="width: 100%; text-align: center;"> <tr> <td style="width: 100px;">TASS/SILK</td> <td style="width: 100px;">HARVEST</td> <td style="width: 100px;">PLANT</td> </tr> </table> </div> <p style="font-size: small; text-align: center;">JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC</p>	PLANT	TASS/SILK	HARVEST	TASS/SILK	HARVEST	PLANT
HARVEST	PLANT											
PLANT	SILK	HARVEST										
PLANT	TASS/SILK	HARVEST										
TASS/SILK	HARVEST	PLANT										

Source: USDA

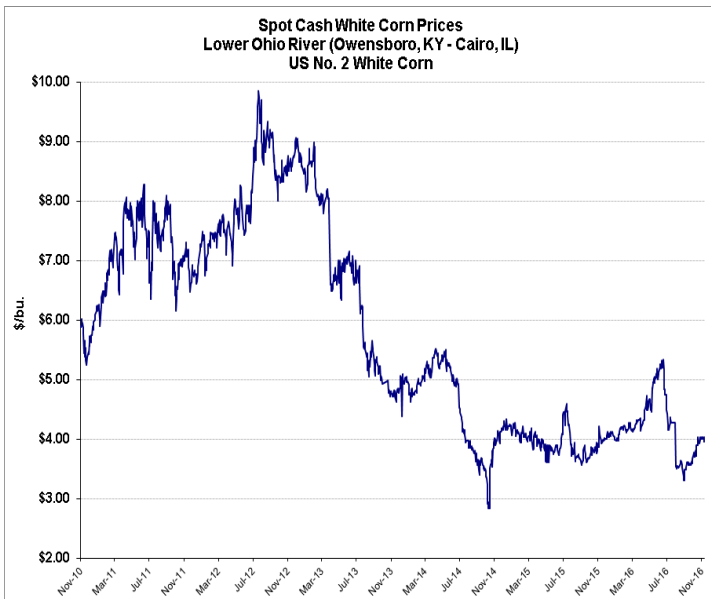
(Table 1- Source: FAS)

Market Prices as of November 14, 2016

	Spot Price	Price changes relative to:					
		Week Ago		Month Ago		Year Ago	
CBOT No.2 Yellow Futures	\$ 3.37	\$ (0.11)	↓ -3%	\$ (0.08)	↓ -2%	\$ (0.25)	↓ -7%
White Corn CIF Gulf	\$ 4.61	\$ (0.21)	↓ -4%	\$ 0.08	↑ 2%	\$ 0.06	↑ 1%
White Corn FOB Lower Ohio	\$ 3.97	\$ (0.04)	↓ -1%	\$ 0.08	↑ 2%	\$ 0.04	↑ 1%



White Corn Cash Prices



White Corn Premiums

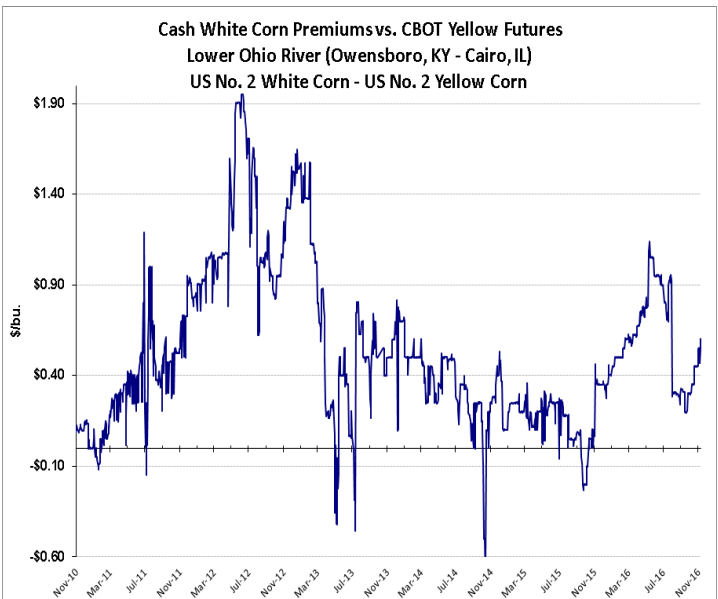


Table 2 – Source: CBOT, USGC, Industry
 Chart 2a, 2b- Source: CBOT, USGC, Industry
 Chart 3a, 3b- Source: CBOT, USDA

December 2016 Corn Futures Contract



Chart 4- Source: CBOT

U.S. White Corn Premiums:

White corn premiums CIF US Gulf for nearby shipment are nominally offered at \$1.25/bu. (\$49/mt) over the CBOT Dec'16 corn futures contract. This is approximately a \$0.75/bu. (\$30/mt) premium over the CIF gulf yellow cash bid for the respective time period. The increased global demand for white corn exports out of the U.S. has kept premiums well supported above \$1.00/bu. this past year. Given the expectations for a recovery in South African production and the increase stocks in the U.S., we could see the premium that white corn commands over yellow corn to erode slightly as we move into 2017. However, this is highly dependent on a good crop out of South Africa and normal growing weather in the U.S. and Mexico.

Current Harvest Results & Conditions:

Going into this crop year, the odds were stacked against another year of favorable weather and yields above trend (only 11% odds going back to 1988), but it appears that is exactly what happened. Wet weather early on did delay some plantings, but it also recharged the subsoil moisture and only caused some very localized drown out. The rains did slow down around the key pollination period, however some cooler temperatures prevented too much drying out of the soil and allowed the crop to mature very nicely. Throughout the crop year, the weekly condition reports were among some of the best in the last 30 years, and the recent USDA monthly WASDE report just confirmed these reports as the total U.S. yellow corn crop was estimated at a new record of 175.3 bushels/acre. Some of the key white corn areas were among the wetter areas in the U.S., causing some reductions to yield and quality. Because of this, we are expecting a larger spread between yellow corn and white corn yields this year, but the crop still appears in very good shape and should provide more than enough supply to refill the pipeline.

The most recent weekly crop progress report from the USDA pegs 2016/17 corn harvest at 93% complete. This is just barely behind last year's pace of 95% and in line with the 5-year average of 92%. Key growing areas such as Illinois, Indiana, Iowa and Nebraska all saw vast improvements in harvest over the past 14 days.

Nebraska and NW Missouri:

The temperate weather and high amounts of irrigation in Nebraska contributed to the best yield reports we have seen so far. Harvest has progressed slower in the East in comparison to the West but overall yields have held up and it looks as though NE will end up north of 185 bushels/acre, helping to boost the national average.

NW Missouri is looking better than originally anticipated and certainly better than last year. Average yields of 170 represent an almost 20 bushel/acre increase from 2015.

Kentucky and Tennessee:

Yield reports out of this region have been highly variable with some farmers claiming to have been hurt by not enough rain, others hurt by too much water, and the remainder benefitting from the perfect mix of the two. Current expectations are for a yield of approximately 175 bushel/acre.

Indiana and Illinois:

There was a fair amount of variability in this region in 2016 due to the wetter than normal growing season as well as an increase in non-GMO acres. The wet weather made timing planting and field applications that much more crucial this year. Some areas saw April planted corn yield 20+ bushel better than May plant dates, while other parts of the region saw May plantings with less quality issues than the April corn. Overall, the sandier soils in the North saw the best yields in comparison to previous years as the rains tended to soak the South more frequently. The non-GMO acres saw some yield loss due to European Corn Borer infestation, with average yields in the low 100's. Overall, we expect this region to come in below the last 2 years and average around 165-170 bushel/acre.

Southern Texas/Winter Garden:

Weather in Texas this year was mostly favorable with only some troubled areas. While some areas saw corn plantings prolonged by wet conditions, it was able to get in the ground and benefitted from recharged soil. There was some late season heat in July that led to some variability between fields and regions, but it appears the late planted corn fared much better during this heat spell than the earlier plantings. Some rains during harvest pushed that out a little longer than usual, with reports coming in at or slightly better than last year's average. Southern Texas yields look to average around 120 bushels/acre, with the Panhandle averaging around 170 bushels/acre due to the larger amounts of irrigation.

U.S. Supply and Demand

The tables (Table 3a & 3b) below illustrate historical, and the current estimate for MY 2016/17 new crop supply and demand situations. The tables are presented in both British and metric units.

U.S. WHITE CORN SUPPLY & DEMAND – British Units (acres and bushels)

Table 3a

	Final 2011-12	Final 2012-13	Final 2013-14	Final 2014-15	Estimate 2015-16	Forecast 2016-17
Planted Area	703,294	731,932	722,234	729,000	747,377	909,398
Harvested Area	652,681	713,633	707,789	714,420	732,429	891,210
Average Yield	154.7	128.3	183.0	189.1	179.0	174.4
SUPPLY (bushels)						
Total Production	100,998,585	91,548,600	129,529,453	135,078,186	131,082,908	155,427,089
Beginning Stocks	12,870,804	4,419,389	5,290,989	4,885,442	3,880,628	463,536
Imports	250,000	1,700,000				
Total Supply	114,119,389	97,667,989	134,820,442	139,963,628	134,963,536	155,890,625
DEMAND (bushels)						
Food	73,000,000	72,000,000	73,000,000	72,000,000	68,000,000	71,000,000
Feed/Industrial	3,200,000	8,000,000	9,000,000	4,500,000	500,000	4,000,000
Exports	33,500,000	12,377,000	47,935,000	59,583,000	66,000,000	72,000,000
Total Usage	109,700,000	92,377,000	129,935,000	136,083,000	134,500,000	147,000,000
Ending Stocks	4,419,389	5,290,989	4,885,442	3,880,628	463,536	8,890,625
% Ending Stocks/Use	4.0%	5.7%	3.8%	2.9%	0.3%	6.0%

U.S. WHITE CORN SUPPLY & DEMAND – Metric Units (hectare and tons)

Table 3b

	Final 2011-12	Final 2012-13	Final 2013-14	Final 2014-15	Estimate 2015-16	Forecast 2016-17
Planted Area	284,619	296,209	292,284	295,022	302,459	368,028
Harvested Area	264,136	288,803	286,438	289,122	296,410	360,668
Average Yield	9.71	8.05	11.49	11.87	11.23	10.95
Yield in bu/ac.	154.7	128.3	183.0	189.1	179.0	174.4
SUPPLY (tons)						
Total Production	2,565,364	2,325,334	3,290,048	3,430,986	3,329,506	3,947,848
Beginning Stocks	326,918	112,252	134,391	124,090	98,568	11,774
Imports	6,350	43,180				
Total Supply	2,898,632	2,480,767	3,424,439	3,555,076	3,428,074	3,959,622
DEMAND (tons)						
Food	1,854,200	1,828,800	1,854,200	1,828,800	1,727,200	1,803,400
Feed/Industrial	81,280	203,200	228,600	114,300	12,700	101,600
Exports	850,900	314,376	1,217,549	1,513,408	1,676,400	1,828,800
Total Usage	2,786,380	2,346,376	3,300,349	3,456,508	3,416,300	3,733,800
Ending Stocks	112,252	134,391	124,090	98,568	11,774	225,822
% Ending Stocks/Use	4.0%	5.7%	3.8%	2.9%	0.3%	6.0%

Comments about the 2016/2017 New Crop Supply & Demand (Marketing year starting September 2016 and ending August 2017)

SUPPLY

YIELDS – The 2016 crop yield estimate is 174.4 bushels/acre. This would be the second consecutive decline from the record yields in 2014/15, but would still represent the fifth largest U.S. white corn yield in history. While yield reports are coming in better than expected, the wet and cool weather in the early part of the season did reduce our estimates to a more conservative level from our early season estimate of 177 bushels/acre.

BEGINNING STOCKS – Carry forward supplies of 0.5 mill bushels is the smallest beginning stocks on record. An aggressive export program in 2015/16, due to the limited global supply, absorbed all of the excess white corn stocks and pushed the U.S. to pipeline levels.

PRODUCTION – Harvested area is expected to increase by an astounding 22% in 16/17 as the extremely tight global white corn supplies and large premium to yellow corn increased farmers plantings by a similar 22%. Apart from some localized areas of drown out, or wind/hail damage, we expect this year's harvested vs. planted ratio to be in line with last year and the historical average of 98%. With the massive surge in acreage, and one of the larger U.S. yields in history, total white corn production is estimated to be up 19% from 15/16.

DEMAND

FOOD – Usage in the domestic food sector is seen recovering to more normalized levels after the reduction last year due to the larger premiums that white corn was commanding. This industry is typically very stable unless there are quality issues like there were in 2012/13. While there have been reports of some mold and quality issues this year, overall food grade supplies should remain plentiful. We expect food demand to be 71 million bushels, up from 68 million last year.

EXPORTS – New crop exports are forecast to reach a record 72 million bushels this upcoming marketing year, after setting a new record this past marketing year of 66 million bushels in 15/16. The drought in South Africa has greatly increased total export demand. Those countries who can import GMO white corn are coming to the U.S. for much of their needs, while South Africa has been importing Mexican non-GMO white corn (and some U.S.). This has increased the demand from Mexico as well as they replace some exports with U.S. imports. The current cheap yellow corn futures prices are also keeping U.S. exports competitive into the global markets.

FEED/INDUSTRIAL – This is estimated to increase 3.5 million bushels from the prior year to 4 million bushels. The feed/industrial category is the residual depository for excess corn and is influenced by production and exports. This year more white corn should find its way into feed rations and industrial uses due to the cheap price of cash corn encouraging localized feeding and the reports of disease issues pushing some bushels out of spec for food usage.

IMPORTS – Supplies in the U.S. appear adequate for 2016/17 and should keep the U.S. from importing any white corn. Typically imports will only occur in years of tight supplies, which is not the case this year.

ENDING STOCKS – Assuming all of the factors above remain stable, ending stocks are expected to increase by 8.4 million bushels to 8.9 million bushels. This would be the most comfortable ending stocks situation since 2010 and would re-stock the depleted white corn pipeline.

U.S.Exports:

U.S. White Corn Exports (In '000 bushels)

Table 5a - Source: USDA

U.S. White Corn Exports by Destination					
<i>000 Bushels</i>	<u>12/13</u>	<u>13/14</u>	<u>14/15</u>	<u>15/16</u>	<u>16/17 YTD</u>
COLOMBIA	2658	8539	8671	8967	1444
COSTA RICA	89	0	3027	1675	0
EL SALVADOR	861	1623	2031	6011	0
GUATEMALA	433	1672	2257	933	63
HONDURAS	2768	2757	1550	4733	3101
JAPAN	1590	2994	1552	1366	116
KOREA REP	145	210	230	160	24
MEXICO	3780	28571	36040	35649	3132
MOZAMBIQUE	0	0	0	1277	0
NICARAGUA	0	303	594	779	0
SOUTH AFRICA	0	0	0	4270	1345
ITALY	36	0	0	0	0
SINGAPORE	11	0	2	0	0
NEW ZEALAND	0	1053	3195	307	0
BRAZIL	0	14	0	0	0
MAYOTTE	0	196	0	0	0
OTHER	6	4	436	4	1
TOTAL	12377	47935	59583	66132	9227

U.S. White Corn Exports (In '000 mt's)

Table 5b- Source: USDA

U.S. White Corn Exports by Destination					
<i>000 Metric Tons</i>	<u>12/13</u>	<u>13/14</u>	<u>14/15</u>	<u>15/16</u>	<u>16/17 YTD</u>
COLOMBIA	68	217	220	228	37
COSTA RICA	2	0	77	43	0
EL SALVADOR	22	41	52	153	0
GUATEMALA	11	42	57	24	2
HONDURAS	70	70	39	120	79
JAPAN	40	76	39	35	3
KOREA REP	4	5	6	4	1
MEXICO	96	726	915	906	80
MOZAMBIQUE	0	0	0	32	0
NICARAGUA	0	8	15	20	0
SOUTH AFRICA	0	0	0	108	34
ITALY	1	0	0	0	0
SINGAPORE	0	0	0	0	0
NEW ZEALAND	0	27	81	8	0
BRAZIL	0	0	0	0	0
MAYOTTE	0	5	0	0	0
OTHER	0	0	11	0	0
TOTAL	314	1218	1513	1680	234

Cumulative U.S. White Corn Exports Million Bushels

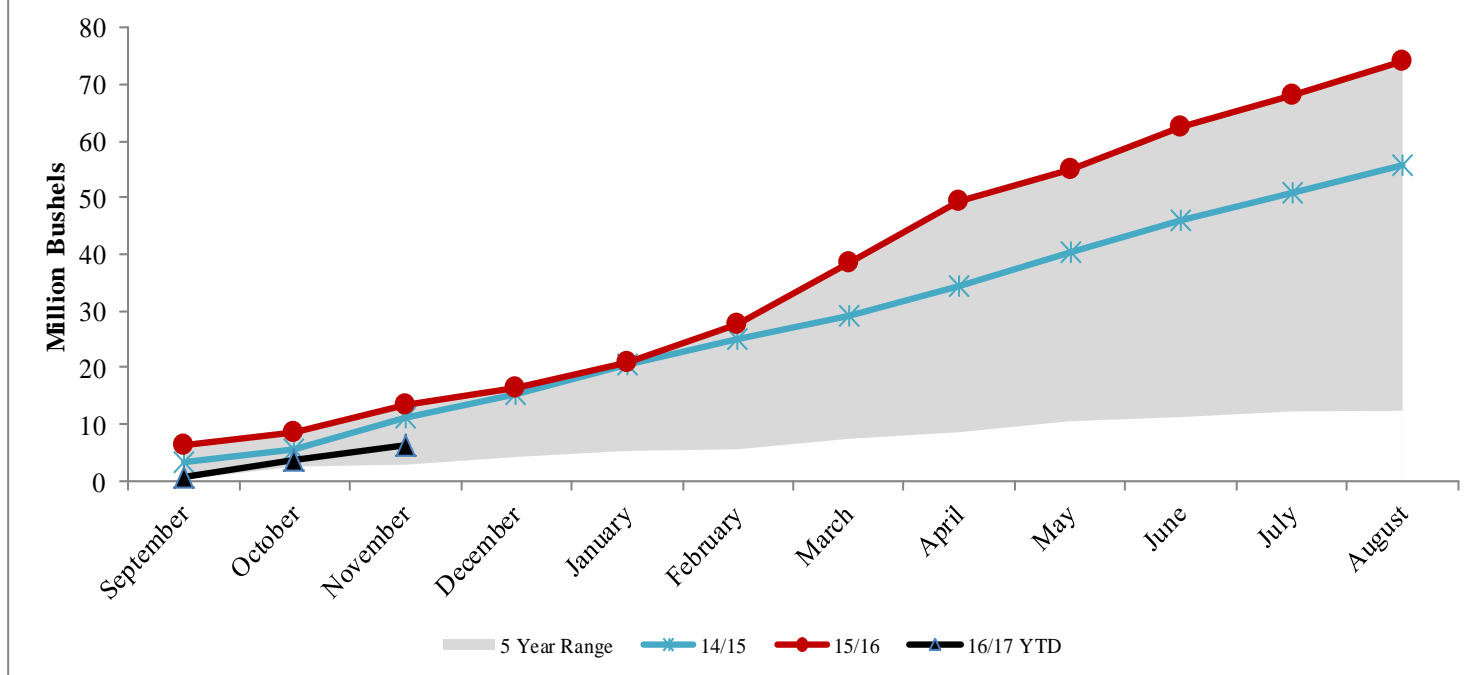


Chart 5 – Source: USDA

Mexico Maize Situation - Source: GRM/ Industry / FAS Gain Report

Summary:

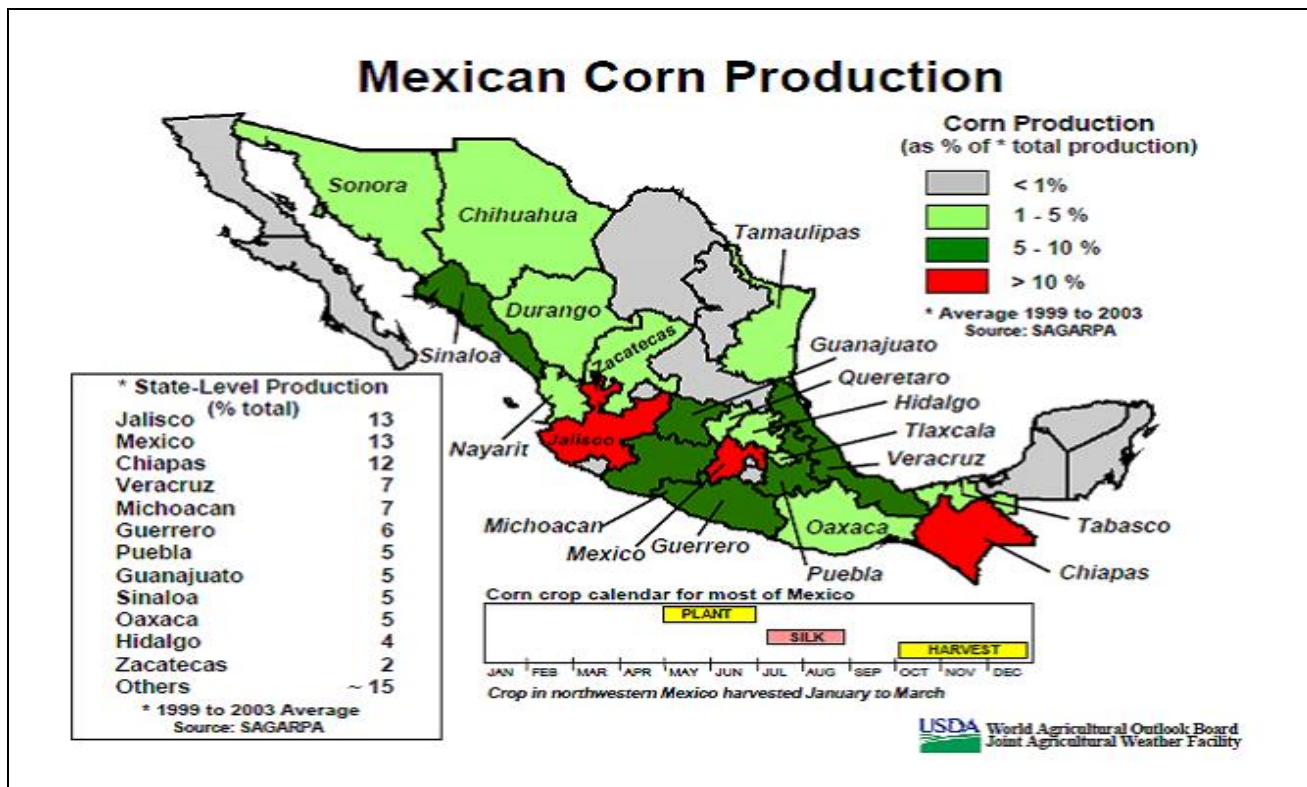
For the 2016/17 marketing year, recent estimates have been reduced slightly due to the irregular rains earlier this year in June and July. However, a better than expected 2015/16 fall-winter crop harvest provides a more comfortable carry-in stocks situation. Mexico continues to export plenty of non-GMO white corn to the South African region while importing more GMO white corn from the U.S. to maintain adequate internal supplies.

Production:

The total corn production estimate for MY 2016/17 has been revised downward from USDA/Official data to 23.5 MMT, based on more complete data from SAGARPA. According to official sources, irregular rains during June and July delayed the planting season in the non-irrigated areas of the 2016 spring/summer crop cycle. Sources indicated that this will have an adverse impact on final yields, pushing the yield estimate to the lowest in three years. Since approximately 75 percent of corn produced during the spring/summer cycle is rain fed, the summer monsoons continue to be the major source of irrigation.

The total production area estimate for the MY 2015/16 corn crop has been raised to 25.8 MMT, due to slightly increased planted area and very favorable weather conditions during the 2015/16 fall/winter crop cycle in the main producing areas. Total production for the 2015/16 fall/winter-corn crop is estimated at 8.4 MMT. This would be an increase from the previous year's 7.3 MMT, due to the high reservoir levels and increased planted area. For example, according to SAGARPA data, Sinaloa's planted area increased from 487,840 hectares in fall/winter 2014/15 crop to 566,123 hectares during the same period of 2015/16. Sinaloa is the principal white corn producing state, accounting for approximately 80 percent of the total output of the fall/winter crop. The higher production estimate for fall/winter 2015/16 crop also reflects greater yields from increased precipitation and ample irrigation supplies in Sinaloa.

The total estimated average yield for the 2015/16 fall/winter crop cycle is forecast to be higher than last year's at 6.4 MT/ha, due to the favorable weather conditions and the availability of water for irrigation. It should be noted that depending in large part on the level of technology used, yields continue to vary significantly throughout Mexico. In Sinaloa, for example, average yield is expected to reach 10.8 MT/ha in the 2015/16 fall/winter crop cycle, against 10.6 MT/ha reached the same crop cycle last year, because of the factors already mentioned, and because the majority of corn is produced using advanced farming technology by the growers of this state.



Trade:

The total corn import estimate for MY 2015/16 has been revised downward from USDA/Official data to 13.0 MMT, based on official data from the SHCP and SAGARPA for the first nine months of this marketing year. The revised data reflects the impact of higher than previously estimated domestic production. Similarly, the MY 2015/16 total exports estimates have been revised upward because of increased domestic production and based on official data from SAGARPA and SHCP for the same period mentioned for the exports estimate.

Stocks:

The MY2015/16 estimated ending stocks were revised upward, due to higher than previously estimated domestic production. The ending stocks estimate was reflected in the carry over for the MY 2016/17 which was also adjusted upward from USDA/Official estimate.

MEXICAN SUPPLY & DEMAND TABLE (WHITE & YELLOW)

Metric units (Hectares and 000 MT)

Marketing Year	11/12	12/13	13/14	14/15	Estimate 15/16	Estimate 16/17
October - September	11/12	12/13	13/14	14/15	15/16	16/17
Harvested Area	6,070	6,896	7,052	7,325	7,205	7,100
Yield	3.09	3.13	3.24	3.48	3.58	3.31
SUPPLY (000 MT)						
Beginning Stocks	1,112	1,316	1,061	2,694	4,209	5,709
Production	18,726	21,591	22,880	25,480	25,800	23,500
Total MY. Imports	11,172	5,676	10,954	11,269	13,000	13,500
Oct-Sep Import U.S.						
Total Supply	31,010	28,583	34,895	39,443	43,009	42,709
DEMAND (000 MT)						
Feed Use	13,200	11,000	15,200	17,700	19,400	20,100
Milling/Food/Other	15,800	16,000	16,500	16,750	16,800	16,900
Exports	694	522	501	784	1,100	800
Total Use	29,594	27,522	32,201	35,234	37,300	37,800
Ending Stocks	1,316	1,061	2,694	4,209	5,709	4,909
% Ending Stocks / Use	4.4%	3.9%	8.4%	11.9%	15.3%	13.0%

Table 6a – FAS/USDA

MEXICAN SUPPLY & DEMAND TABLE (WHITE & YELLOW)

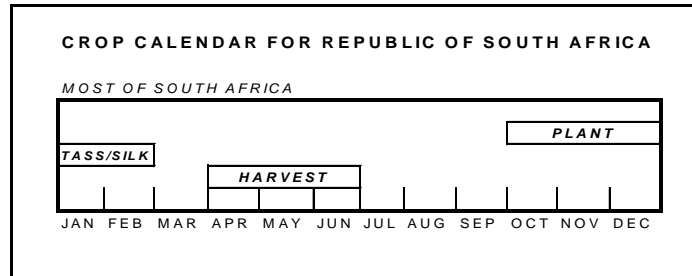
British Units (Acres and Mil. Bushels)

Marketing Year	11/12	12/13	13/14	14/15	Estimate 15/16	Estimate 16/17
October - September	11/12	12/13	13/14	14/15	15/16	16/17
Harvested Area	14,999	17,040	17,425	18,100	17,804	17,544
Yield	49.15	49.88	51.69	55.42	57.05	52.73
SUPPLY (mil. bushels)						
Beginning Stocks	44	52	42	106	166	225
Production	737	850	901	1,003	1,016	925
Total MY. Imports	440	223	431	444	512	531
Oct-Sep Import U.S.						
Total Supply	1,221	1,125	1,374	1,553	1,693	1,681
DEMAND (mil. bushels)						
Feed Use	520	433	598	697	764	791
Milling/Food/Other	622	630	650	659	661	665
Exports	27	21	20	31	43	31
Total Use	1,165	1,083	1,268	1,387	1,468	1,488
Ending Stocks	56	42	106	166	225	193
% Ending Stocks / Use	4.8%	3.9%	8.4%	11.9%	15.3%	13.0%

Table 6b – Source FAS/USDA

Republic Of South Africa Maize Situation

Source: USDA/ FAS/CEC/SAGIS



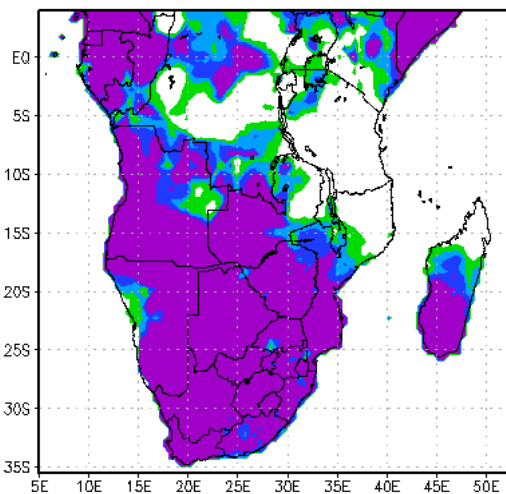
Summary:

The early forecasts for the 2017/18 MY call for a sizeable increase in both white and yellow corn plantings, along with the potential for average to above average rainfall this year. If these forecasts hold throughout the year, South Africa should be able to return to a net exporter in 2017/18 after poor weather the last two years.

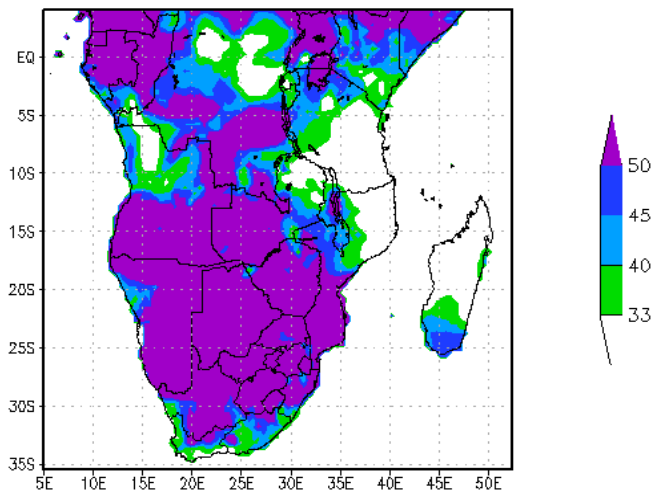
Production:

Initial forecasts for the commercial area planted to corn later in 2016, for the 2017/18 MY, call for an increase of 26.5% to 2.5 million hectares, driven by a historically small harvest from the previous growing season. Within this 2.5 million hectares, white corn is expected to make up 1.5 million hectares, an increase of 43% from 2015/16 levels. The remaining 1.0 million hectares is expected to be planted with yellow corn, an increase of 8% from the prior year. Due to last year's poor harvest, there could be some smaller scale issues with subsistence farmers being able to source enough seed this year, but commercial supplies appears adequate. Recent forecasts for increased rainfall over the summer months (see charts below) have supported farmers putting more corn in the ground, which coincides with a possible La Nina that usually boosts moisture in the South Africa. Just this week the South African Water and Sanitation Department said "forecasters are indicating that South Africa's summer-rainfall areas can expect wetter conditions during November to January and the mid-summer December to February periods." However, a longer recovery period of a few years is still expected until reservoirs are back at normal levels. With a return to normalized yields, a white corn area of 1.5 million hectares could realize a white corn crop of 6.3 million tons, and total production near 12 million tons.

NOVEMBER-DECEMBER-JANUARY 2017
Above-Normal Rainfall



DECEMBER-JANUARY-FEBRUARY 2017
Above-Normal Rainfall



The current estimate for the South African 2016/17 MY total corn crop (commercial plus subsistence) of 8.0 million tons, has been revised higher in recent months as favorable weather during harvest helped to stabilize yields. This has created a slightly more comfortable old crop situation after the driest year in the last century decimated the key corn producing regions. Ending stocks are still expected to be one of the smallest in 20 years, but not quite as tight as originally feared. Of this total production, commercial white corn is estimated to account for 3.25 million tons of production, the smallest amount since 1995 and a 58% reduction from just two years ago.

Consumption:

The commercial demand estimate for corn in the 2016/17 MY increased by two percent to 10.2 million tons after taking into consideration the current consumption information from Sagis. The corn consumption estimate for animal feed was unchanged at 5.1 million tons, but increased the estimated demand for corn for human consumption by 200,000 tons to 4.8 million tons. This means that the total demand for corn is expected to drop by three percent in the 2016/17 MY, from the 10.5 million tons of corn consumed in the 2015/16 MY. The major reasons for the expected drop are the drought related higher corn prices and the sluggish economic growth that is impacting negatively on the demand for corn.

A forecast for a three percent increase in the commercial demand for corn in the 2016/17 MY to 10.5 million tons is expected, due to increased production. South Africa is expected to use 4.9 million tons of corn for human consumption and 5.3 million tons of corn for animal feed, excluding corn utilized by the subsistence farming sectors and commercial on-farm usages.

Trade:

Under normal climatic conditions, South Africa should return to be a net exporter of corn in the 2017/18 MY on higher production. South Africa could export about 1.0 million tons of corn in the 2017/18 MY.

For the 2016/17 MY, South Africa is estimated to have to import about 3.0 million tons of corn, as the drought reduced normal corn production by almost 40 percent. So far in the 2016/17 MY, South Africa has already imported almost 800,000 tons of yellow corn, mainly from Argentina, and 335,000 tons of white corn, mainly from Mexico. Due to the slow pace of approval by the South African government, the United States is still not allowed to export Genetically Engineered (GE) corn to be used for food and feed to South Africa. Although all of the GE events currently commercially produced in South Africa was developed in the United States, United States commercial GE corn cannot be exported to South Africa as South Africa and the United States are not synchronous in terms of certain GE event approvals for corn. According to the South African regulatory procedures, the application process for commodity import permits requires that the exporting country must have approved the same type and number of GE events that have been approved in South Africa. However, the U.S. is able to export Non-GMO corn to South Africa albeit in much smaller volumes.

South Africa will continue exporting corn to its neighboring countries in the 2016/17 MY, which should amount to about 700,000 tons. So far this marketing year, South Africa has exported 352,169 tons of corn to its neighboring countries, with 232,000 tons of that being white corn.

Prices:

Local white corn and yellow corn prices have decrease by 25 percent since mid-June following the decrease in global corn prices and strengthening of the rand. However, white corn and yellow corn prices are trading, respectively, 18 percent and 13 percent higher than a year ago. Yellow corn prices are trading at import parity levels, due to the drought, and are mainly influence by global corn prices levels and the appreciation or depreciation of the rand. White corn prices are trading at a premium above import parity price levels, illustrating the limits of white corn on the world market. Local corn prices are expected to still trade at import parity price levels in the near future.

REPUBLIC OF SOUTH AFRICA WHITE MAIZE SUPPLY AND DEMAND BALANCE SHEET

(In metric tons)

Marketing Year: May - April	CEC/FAS	CEC/FAS	CEC/FAS	CEC/FAS	CEC/FAS	CEC/FAS
	Final MY 12/13	Final MY 13/14	Final MY 14/15	Estimate MY 15/16	Estimate MY 16/17	Forecast MY 17/18
Harvested Area (000 hect)	1637	1620	1551	1448	1015	1455
Yield (mt/hect.) (deliveries/ comm. hvst.a	4.10	3.46	4.97	3.27	3.21	4.33
SUPPLY (in 000 mt)						
Carry-in	734	935	498	1,529	1,199	495
Production (production minus early del	6740	5607	7710	4735	3254	6300
Deliveries before May 1	0	-100	-175	-174	-288	0
Imports	11	0	0	101	850	200
Adjustments	0	-165	0	-110	350	0
Total Supply	7,485	6,277	8,033	6,081	5,365	6,995
DEMAND (in 000 mt)						
Milling / Seed	4100	4118	4361	4185	4200	4400
Feed	950	652	1501	140	90	600
Exports	1500	1009	642	557	580	500
Total Demand	6,550	5,779	6,504	4,882	4,870	5,500
STOCKS						
% Stock/use	14.3%	8.6%	23.5%	24.6%	10.2%	27.2%

Table 7a

REPUBLIC OF SOUTH AFRICA WHITE MAIZE SUPPLY AND DEMAND BALANCE SHEET

(In US units)

Marketing Year: May - April	CEC/FAS	CEC/FAS	CEC/FAS	CEC/FAS	CEC/FAS	CEC/FAS
	Final MY 12/13	Final MY 13/14	Final MY 14/15	Estimate MY 15/16	Estimate MY 16/17	Forecast MY 17/18
Harvested Area (mill acres)	4.05	4.00	3.83	3.58	2.51	3.60
Yield (bu/acre.) (deliveries/ comm. hvst.a	65.60	55.14	79.20	52.10	51.08	68.98
SUPPLY (in mill bu's)						
Carry-in	28.9	36.8	19.6	60.2	47.2	19.5
Production (production minus early del	265.3	220.7	303.5	186.4	128.1	248.0
Deliveries before May 1	0.0	-3.9	-6.9	-6.9	-11.3	0.0
Imports	0.4	0.0	0.0	4.0	33.5	7.9
Adjustments	0.0	-6.5	0.0	-4.3	13.8	0.0
Total Supply	294.7	247.1	316.2	239.4	211.2	275.4
DEMAND (in 000 mill bu's)						
Milling / Seed	161.4	162.1	171.7	164.8	165.3	173.2
Feed	37.4	25.7	59.1	5.5	3.5	23.6
Exports	59.1	39.7	25.3	21.9	22.8	19.7
Total Demand	257.9	227.5	256.0	192.2	191.7	216.5
STOCKS (mill bu's)						
% Stock/use	14.3%	8.6%	23.5%	24.6%	10.2%	27.2%

Table 7b



Global Risk Management is a company based out of the Twin Cities, Minnesota, which focuses on agricultural commodity price risk management, purchasing services, financial risk assessment, and consulting services. Our clients include growers, seed companies, processors, government agencies, packaged food companies, and the fast-food industry. If you are interested in our services, please go to <http://www.grmcorp.com/> for further information, or call us at +1.651.209.9504