

Grain prices up on softer rand

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Grain futures prices rose on Tuesday (27 August) after the rand touched a worst level of R10.4387 per dollar in morning trade from Monday's close of R10.3148.



"The weaker rand prompted some position squaring ahead of the crop estimates release," PSG grains trader Wouter Bosch said.

A survey by I-Net Bridge showed that grain traders expect little change in the crop estimates committee's seventh forecast for summer crop production for 2013, due at 3.30pm on Tuesday.

The committee forecast production of 11.4m tons of maize in July, split almost equally between the white and yellow varieties.

Local grain prices were also driven by developments in the US. Dry weather in the US pushed grain prices higher overnight. International grain prices normally track US prices as the US is the world's largest grain exporter.

According to Dow Jones Newswires, Chicago Board of Trade (CBOT) maize prices followed soybeans higher as traders worried the maize crop would be affected by dry weather conditions.

September maize futures were up 17 3/4 cents, or 3.6%, at US\$5.13 1/4 a bushel. Wheat futures were also being pulled higher by the gain in maize and soybeans. Wheat and maize often move in tandem because both are used in animal feed.

CBOT September wheat was up 23 3/4 cents, or 3.7%, at US\$6.58 1/4 a bushel.

On the local market, the September white maize contract rose by R15 to R2,354 per ton, December white maize added R11.20 to R2,401.20 per ton, and the March 2014 white maize contract gained R15 to R2,388 per ton.

September yellow maize closed up R1 at R2,193 per ton, the December contract added R4 to R2,252 per ton and the March 2014 contract climbed R17 to R2,233 per ton.

September wheat gave up R19 to R3,436 per ton, but December wheat rose by R36 to R3,435 per ton, and March 2014 wheat added R39 to R3,498 per ton.

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