

WEEKLY
FOOD-FOR
THOUGHT

DATE: 14 May 2021





WEATHER

International weather forecast



PARITIES

Import and export parities for yellow maize



INTERNATIONAL AGRICULTURE

- North American Plant progress
- Argentina harvest progress
- China
- Hog and Cattle USA
- Zambia
- CBOT
- WASDE



EXCHANGE RATE

Overview – USD/ZAR



RAND AGRI SNAPSHOT

Trader snapshot



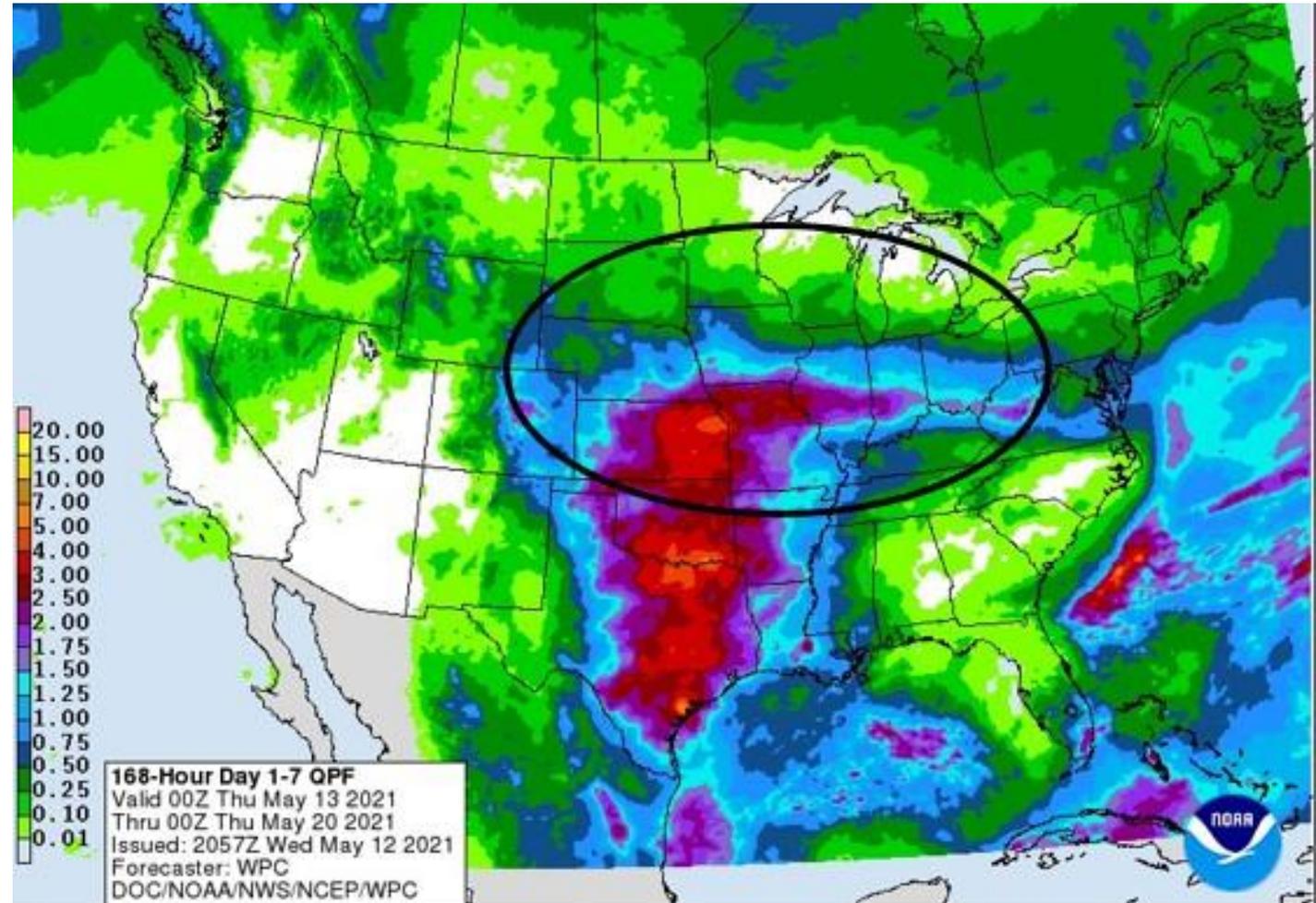


INTERNATIONAL WEATHER

USA WEEKLY FORECAST

Rain is expected over large areas of the southern corn belt for the next week.

Up to 100 mm can be expected in Kansas and parts of Missouri.

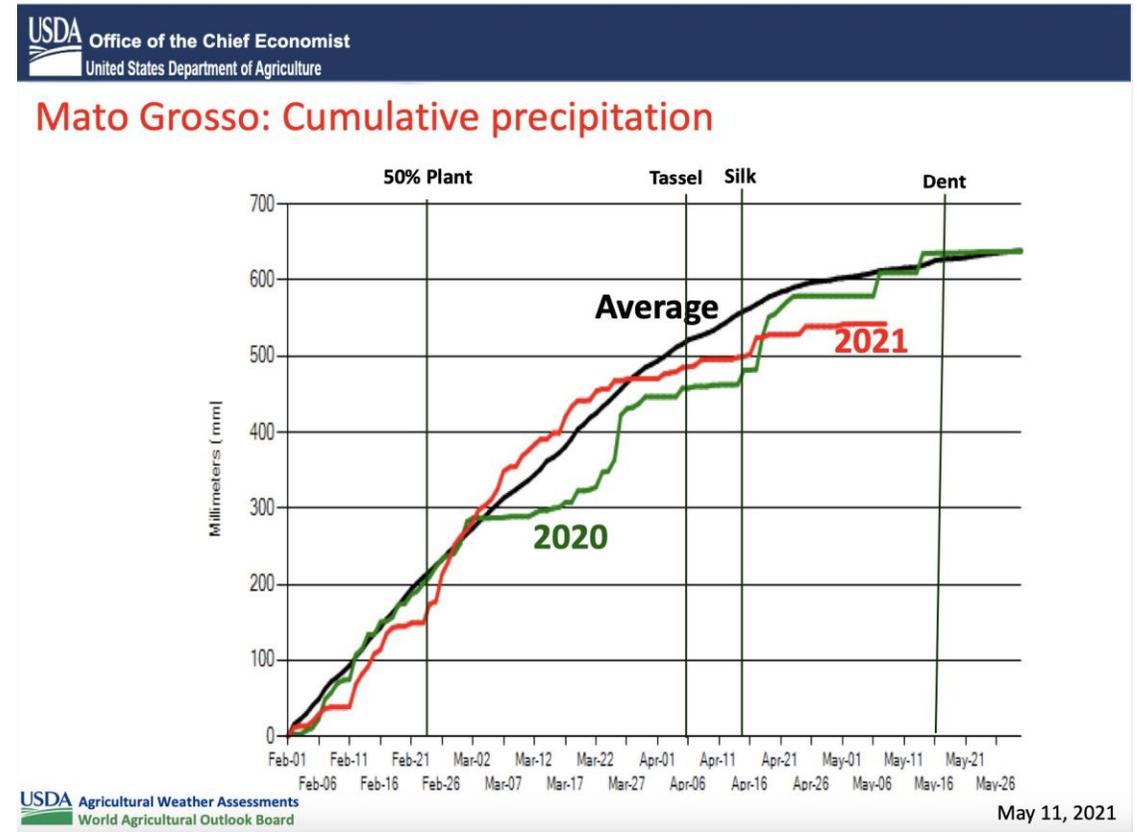
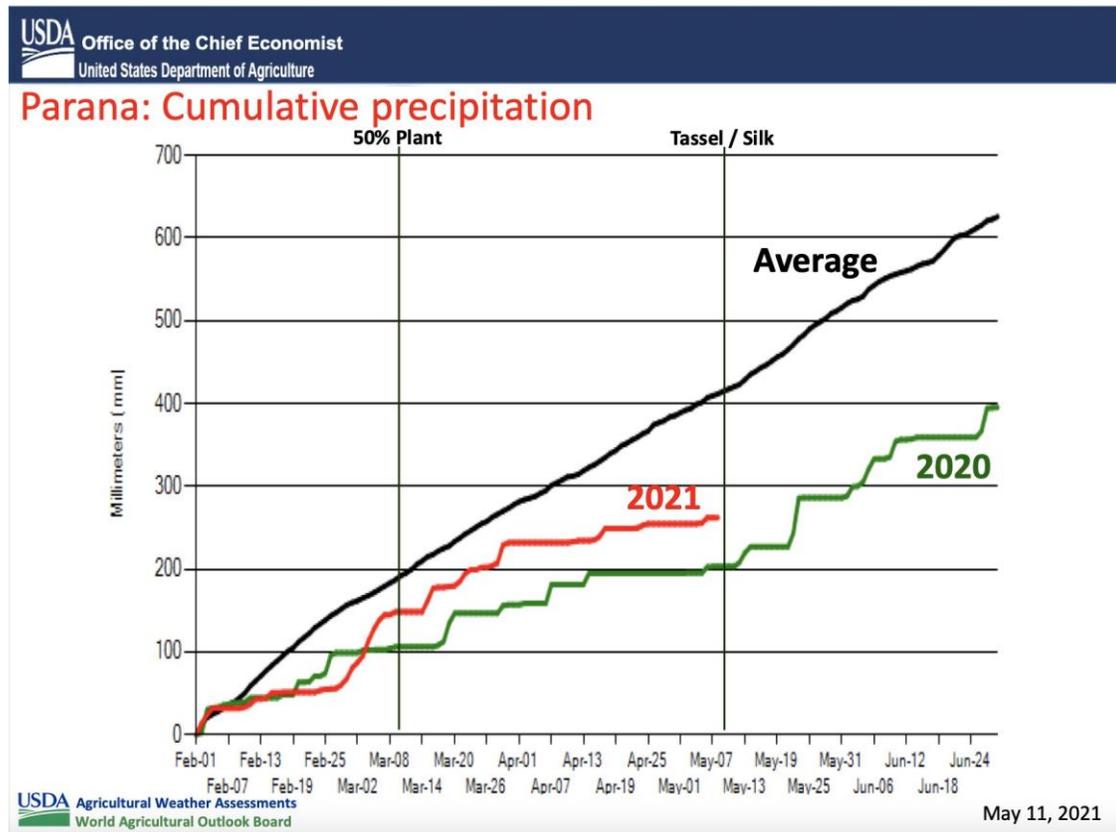




INTERNATIONAL WEATHER

BRAZIL

Cumulative rainfall in the Parana and Mato Grosso states of Brazil from February to the first week in May is lower than the average rainfall and the cumulative total for 2020.





INTERNATIONAL WEATHER

BRAZIL

The following changes were made in crop forecasts for the corn crop of Brazil, following the drought that currently prevails over central and southern Brazil. The forecast is lowered:

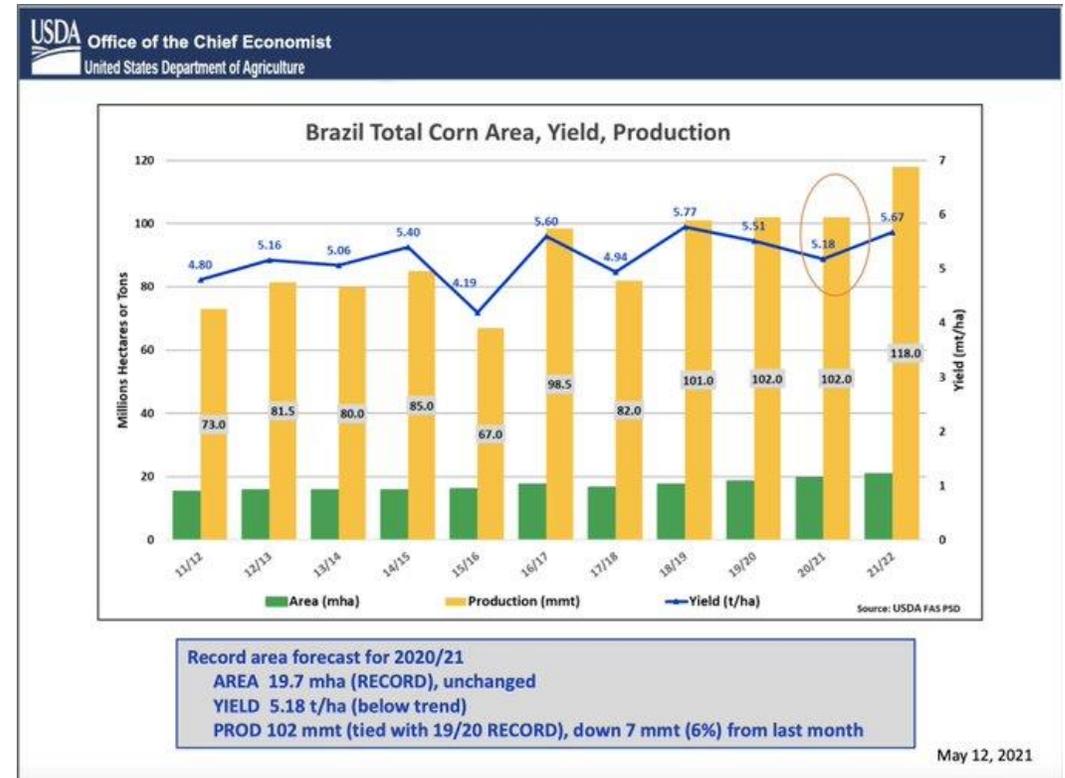
- Conab: to 106 million tons from 108 million tons.
- USDA: by 7 million tons to 102 million tons
- AgRural: 95.5 million tons from 103.4 million tons.

Brazil Corn/Soybean S&D

Conab estimates May 12, 2021

@kannbwX

	20/21 May	20/21 Apr	2019/20
Corn Production	106.41	108.97	102.6
Second corn prod.	79.8	82.6	75.05
Corn exports	35.0	35.0	34.9
Corn ending stocks	10.87	13.42	10.6



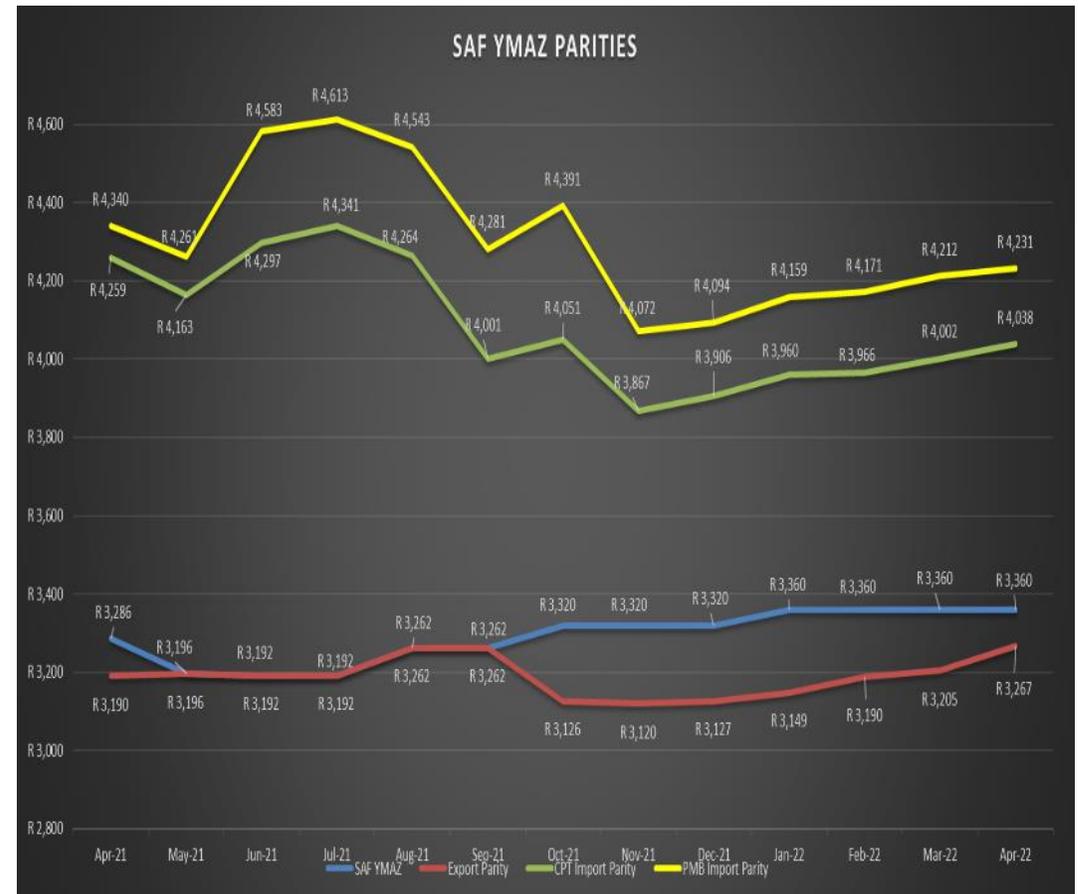


PARITIES



YELLOW MAIZE IMPORT & EXPORT

	May'21	Jul'21	Sept'21	Dec'21
PMB-import parity	R 4261	R 4613	R 4 281	R 4094
CPT-import parity	R 4163	R 4341	R 4001	R 3906
SAFEX-yellow maize	R 3196	R 3192	R 3262	R 3320
DBN-export parity	R 3196	R 3192	R 3262	R 3127



AGRICULTURE

ARGENTINA

Maize-harvest tempo

23% of maize was harvested in Argentina last week compared to 46% last year.

Soybean-Harvest Tempo:

53% of soybeans were harvested in Argentina last week, compared to 78% last year.



AretéPro <small>Advanced Agri-Commodities Management</small>		ARGENTINA, CROP PROGRESS (%)		
	Crop Stage	May-06	Last Week	Last Year
Soybeans	harvested	53%	33%	78%
Corn	harvested	23%	20%	46%
Sunflower	harvested	100%	100%	100%

AretéPro <small>Advanced Agri-Commodities Management</small>		CROP CONDITIONS (Excellent/Good %)		
		May-06	Last Week	Last Year
Soybeans		9%	9%	11%
Corn		44%	41%	36%

AGRICULTURE

USA

Corn:
67% of corn was planted as of 9 May, compared to last years tempo of 65% and the 5-year average of 52%.

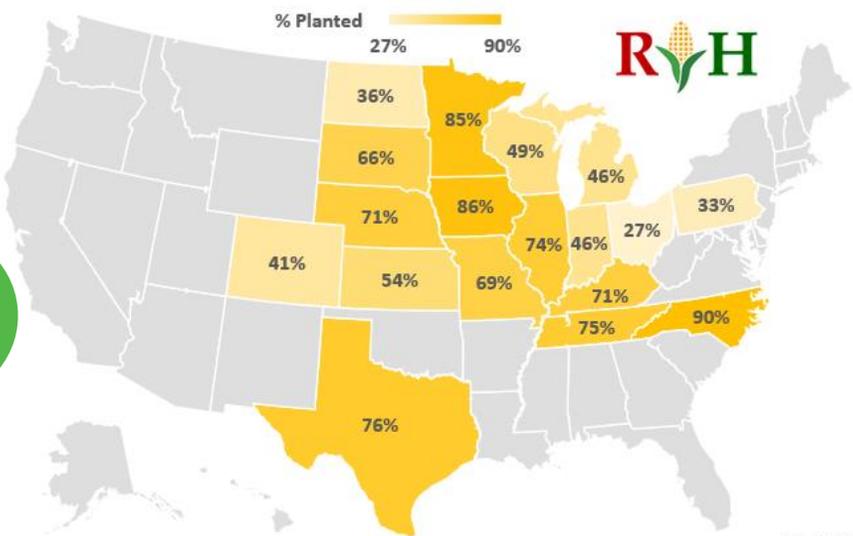
Soybeans:
Soybeans were 42% planted as of 9 May, compared to the 5-year average of 22% and 36% last year.

Wheat:
70% of spring wheat was planted as of 2 May, which is 19% above the 5-year average planting tempo of 51%.

Winter wheat conditions were rated 49% good/excellent, compared to 53% last year.



CORN PLANTING PROGRESS - AS OF 05/09/2021

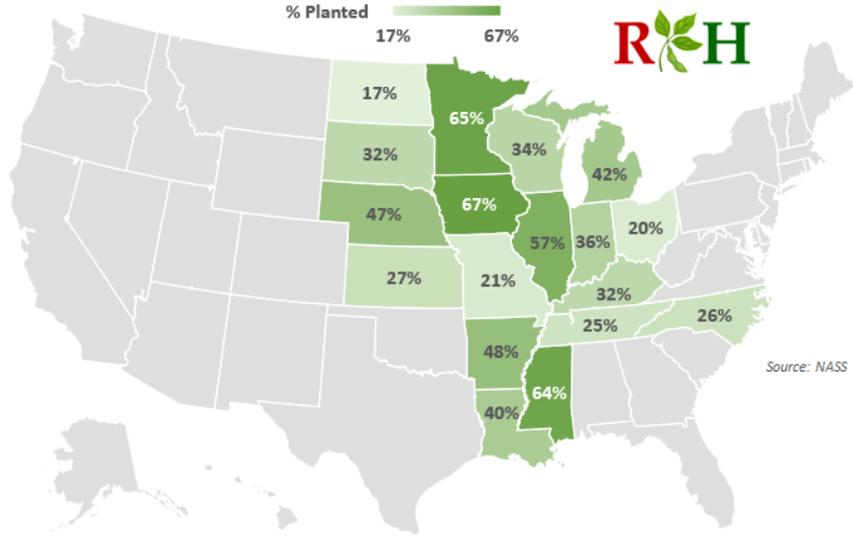


U.S. TOTAL	67%
Last Week	46%
Last Year	65%
5-Year Ave	52%

Source: NASS



SOYBEAN PLANTING PROGRESS - AS OF 05/09/2021



U.S. TOTAL	42%
Last Week	24%
Last Year	36%
5-Year Average	22%

Source: NASS





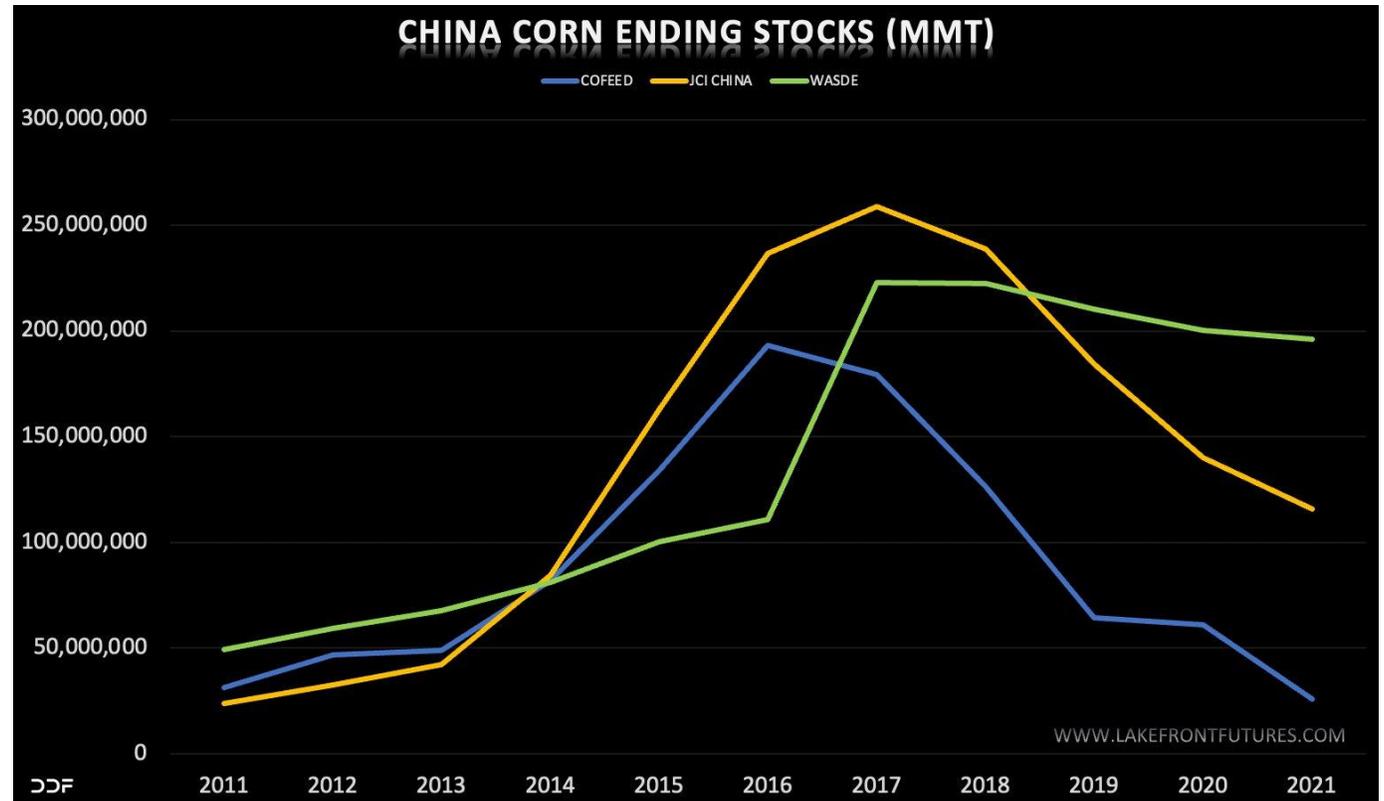
INTERNATIONAL AGRICULTURE

CHINA

China's corn ending stock levels are currently up for discussion with enormous differences between COFEED, JCI CHINA and the USDA's estimates.

The Chinese Grain and Oil Information Centre predicts that in 2021/22, China's corn imports will reach 20 million tons, a decrease due to larger corn areas in the new season. The forecast is 5 million tons above the estimate of the USDA attaché in China. The corn production in China is projected to reach 271.8 million tons (4.3% compared to 2020).

China allegedly bought 1.5 million tons of corn from Ukraine's new crop and 0.5 million tons from Canada last week.





INTERNATIONAL AGRICULTURE

HOGS AND CATTLE USA

Last week, June Hogs futures managed to close higher than June Cattle futures – an event not seen in more than 20 years.

Demand for each market has never been better. March beef and pork exports both posted the highest monthly value on record.

Smaller U.S. hog numbers coupled with continued strong China demand (related to the continued African Swine Fever (ASF) issues) have pushed hog futures beyond that of cattle.

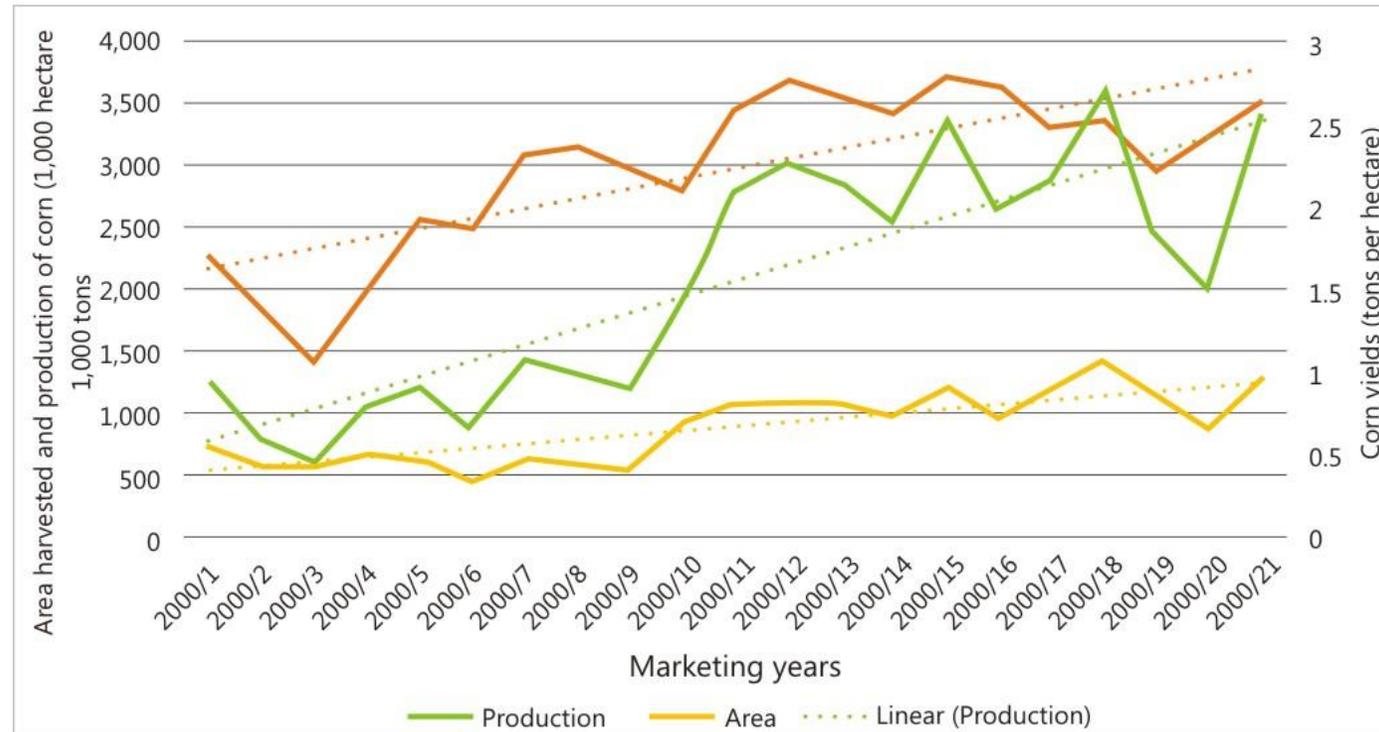




INTERNATIONAL AGRICULTURE

ZAMBIA

Figure 1: Zambia's positive trend in corn production the past 20 years



Zambia announced a record corn harvest in the 2020-21 season

Farmers produced 3.62 million tons of corn. Including carry-over stocks from last year's harvest. Zambia will have enough corn to last 20 months.

The country uses about 2-million tons per year for human consumption and industrial use.

The Zambian Food Reserve Agency (FRA) announced that it would purchase 1 million tons of corn to protect the country's food security status. This decision by the FRA will limit the amount of corn available for export

Zambia also produced a record 411 115 tons of soybeans in the 2020/21 season



INTERNATIONAL AGRICULTURE

MAY WASDE

USA Ending Stock (billions of bushels)

	May 2020/21	Trade Expectations	April 2020/21	May 2021/22	Trade expectations	USDA Feb Agriculture Outlook Forum
Corn	1.257	1.275	1.352	1.507	1.344	1.552
Soybeans	0.120	0.117	0,120	0.140	0.138	0.145
Wheat	0.872	0.846	0,852	0.774	0.730	0.698

- U.S. corn ending stock were lower than expected.
- U.S. soybean ending stock for 2021/22 is estimated at 140 million bushels
- USDA sees the third tightest ever stocks/use for U.S. soybeans in 2021/22 at 3.17%.
- Brazil's corn crop decreased by 7 million tons due to the current drought.

World Ending Stock (millions of tons)

	May 2020/21	Trade Expectations	April 2020/21	May 2021/22	Trade expectations
Corn	283.53	279.47	283.85	292.3	283.06
Soybeans	86.55	86.53	86.87	91.1	88.12
Wheat	294.67	295.38	295.52	294.96	294.29

	Brazil		Argentina	
	Corn	Soybeans	Corn	Soybeans
May 2020/21	102	136	47	47
Trade Expectations	103.05	136.05	46.92	46.85
April 2020/21	109	136	47	47.5
2019/20	102	128.5	51	48.8
May 2021/22	118	144	51	52



CBOT

CORN AND SOYBEANS



CBOT SOYBEANS JULY:

- The market trend is still up.
- Soybeans reached a new high this week.

CBOT CORN JULY

- Markets are consolidating near the highs.
- The market rallied \$2.17 in 6 weeks- factoring in a lot of bullish news.
- \$6.84 is our break out level of chart support.





EXCHANGE RATE

USD/ZAR



USD/ZAR has been on a downtrend amid better-than-expected numbers from South Africa's manufacturing sector. On Wednesday the USD/ZAR rose from an intraday low of R13.9544 to R14.1357. The price movement was a reaction to the strong US inflation data.

On a two-hour chart, the USD/ZAR is trading above the 25- and 50-day exponential moving averages.

At the current R14.1145, it is finding support along the 50-day EMA at R14.1000.

As investors await Thursday's US PPI and Friday's US retail sales data, the USD/ZAR is expected to surge higher to R14.2000. On the flip side, the bears may manage to push the prices back to the psychological R14.0000.





Be careful during loading on the farm

Grain is a major target for many syndicates and there are a number of notorious hotspots. Areas such as Bronkhorstspuit, Delmas and Roedtan are known for frequent hijackings of vehicles and product.

Grain companies do everything they can to limit movement through these areas, especially after hours, but the syndicates are very shrewd and are making other plans to get hold of grain. Often, drivers are "intercepted" before they loading. The syndicate swops the number plates of their own truck with those of the horse and /or trailers and then departs in their own truck. The driver is often forced by an armed passenger to go ahead with the loading. Once the product is loaded, the syndicate simply swops back the number plates and disappears with the load.

We would therefore like to urge farmers to be on the alert when trucks arrive on the farm to load grain. If anything seems suspicious, please contact the grain company right away to confirm the following information:

- Carefully check the registration numbers on the truck and trailers for any inconsistencies such as:
 - ✓ One of the number plates does not correspond with the booked number;
 - ✓ The number plates differ, or are not in the correct order as booked, for instance, the registration numbers of the truck and trailer were switched.
 - ✓ Also check the licence discs to make sure everything matches.
- Is there more than one person in the truck? Grain companies do not usually have more than one person in a vehicle.

When you suspect something, it is critical that you remain calm. Do not confront or question the driver - he may not be in charge and could be under threat. Walk away calmly, call the controller and try to keep everyone there. Call the police.

Article compiled by Willem Spires, Logistics Team Leader, Rand Agri.



TRADER SNAPSHOT



SAFEGUARDING FOOD PROSPERITY

Rand Agri, a bulk grain and supply chain trader, safeguards food prosperity in Southern Africa by connecting farmers and processors. Our services reach across the grain supply chain. It includes:



Trading grain crops such as soybean, wheat, sunflower, GMO/non-GMO white and yellow maize, sorghum and sugarbeans.



Logistics including sourcing, storage, export and delivery of grains and agricultural lime directly to customers.



Milling, processing and selling of white and yellow maize meal, yellow maize grits, starch and super fine maize meal.



Process and supply animal feed by-products such as hominy chop, wheat bran, molasses, as well as soybean, cotton and sunflower oilcakes.



Price and risk management by our experienced traders.

Rand Agri - the vital connection between farm and plate



Contact us today for your trading and supply chain needs.
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