

**WEEKLY**  
**FOOD-FOR**  
**THOUGHT**

**DATE: 26 MARCH 2021**





# INDEX



## WEATHER

International weather forecast



## PARITIES

Import and export parities for yellow maize



## INTERNATIONAL AGRICULTURE

- Brazilian plant progress
- Brazilian harvesting progress



## NATIONAL AGRICULTURE

Concerns about import/export delays in Suez Canal



## EXCHANGE RATE

Overview – USD/ZAR



## RAND AGRI SNAPSHOT

- Trader snapshot
- Field report



# INTERNATIONAL WEATHER

## NORTH AMERICA

Dry weather persisted across southern Texas, the Florida Peninsula, northern New England, the Great Lakes, and northern Plains. Periods of rain and high-elevation snow occurred across the Pacific Northwest, northern California, and the central Rockies, but the Southwest remained mostly dry.

Follow the link to stay up to date with the latest drought conditions in North America: <https://droughtmonitor.unl.edu/CurrentMap.aspx>

Rain is expected over the southern parts of the corn belt, but this is accompanied by fairly warm temperatures which can lead to severe storms and hail.

Snowfall for this period is 91% less than last year and the lowest in 36 years.

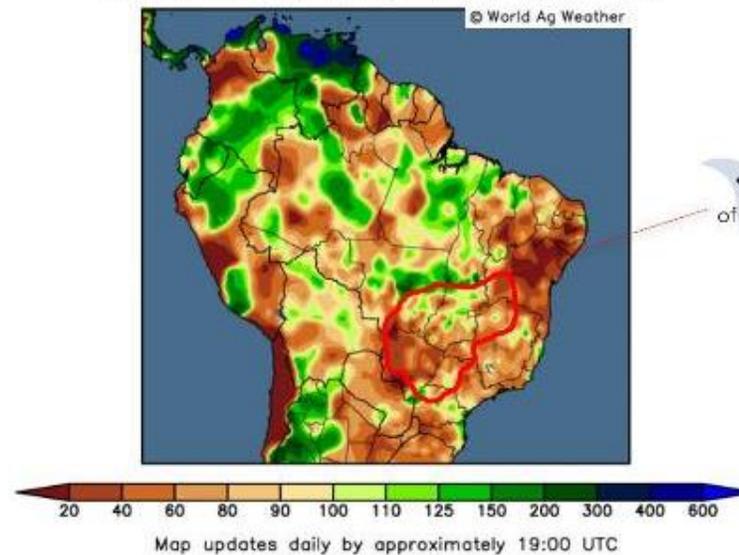


# INTERNATIONAL WEATHER

## BRAZIL PRECIPITATION:

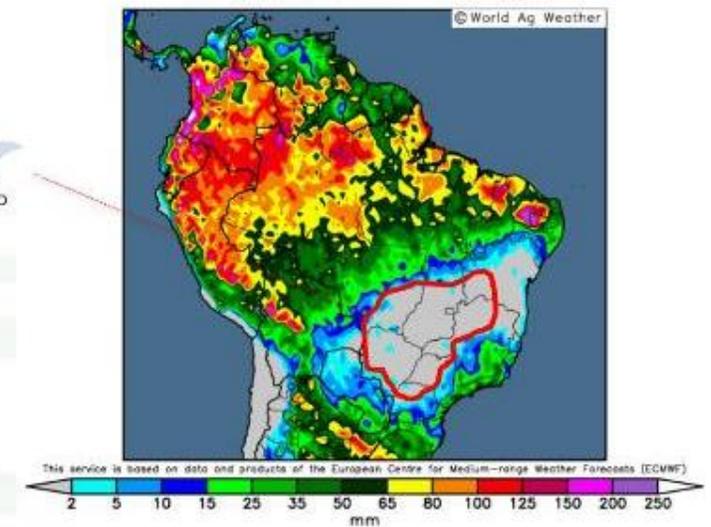
Dry weather is expected over large parts of Brazil for the next 30 days. This is especially worrying in the marked areas where 35% of Brazil's safrinha corn crops grows.

30-day Precipitation Analysis  
Percent of normal through 12 UTC 22 Mar 2021



~35%  
of 2<sup>nd</sup> corn crop

ECMWF High-Resolution Precipitation Forecast  
Days 1-7: 00UTC 25 Mar 2021 - 00UTC 1 Apr 2021  
Model Initialized 00UTC 24 Mar 2021



Last update: 24/03/2021

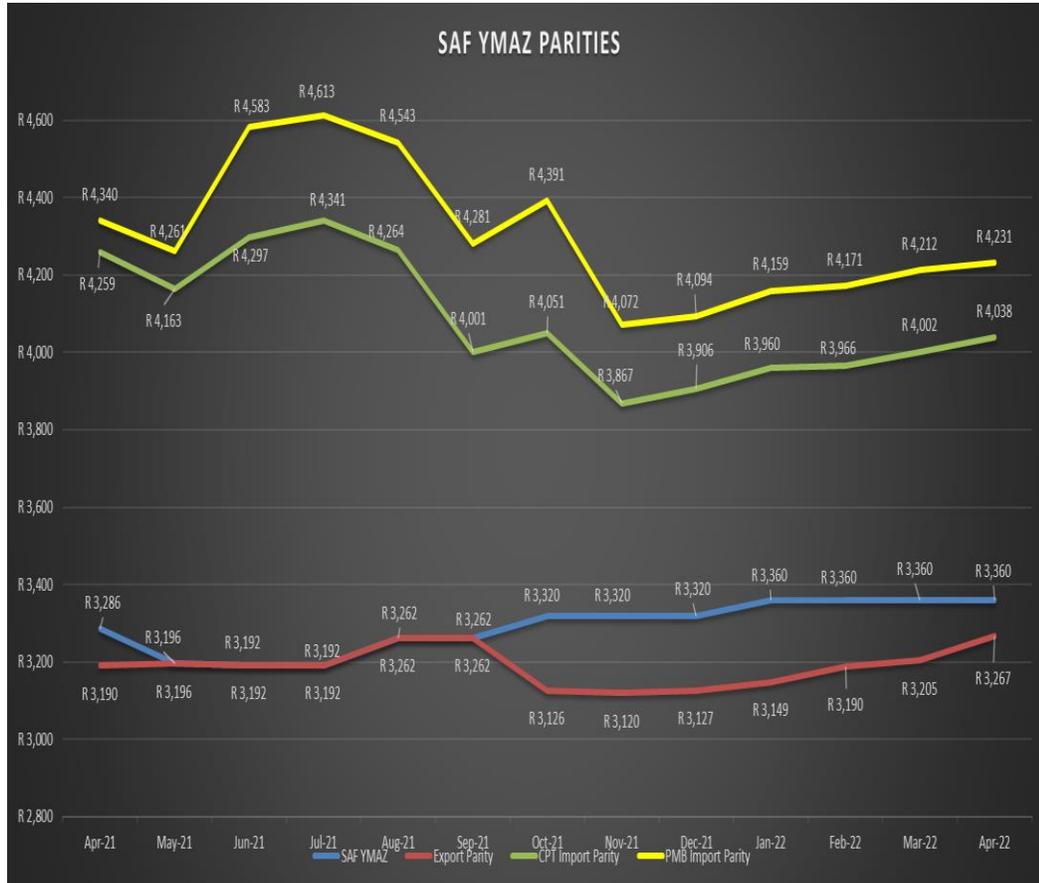
[www.agritel.com](http://www.agritel.com)

Source: WorldAgWeather / Agritel, an Argus Media company



# PARITIES

## YELLOW MAIZE IMPORT & EXPORT



|                    | May'21 | Jul'21 | Sept'21 | Dec'21 |
|--------------------|--------|--------|---------|--------|
| PMB-import parity  | R4 261 | R4 613 | R4 281  | R4 094 |
| CPT-import parity  | R4 163 | R4 341 | R4 001  | R3 906 |
| SAFEX-yellow maize | R3 196 | R3 192 | R3 262  | R3 320 |
| DBN-export parity  | R3 196 | R3 192 | R3 262  | R3 127 |



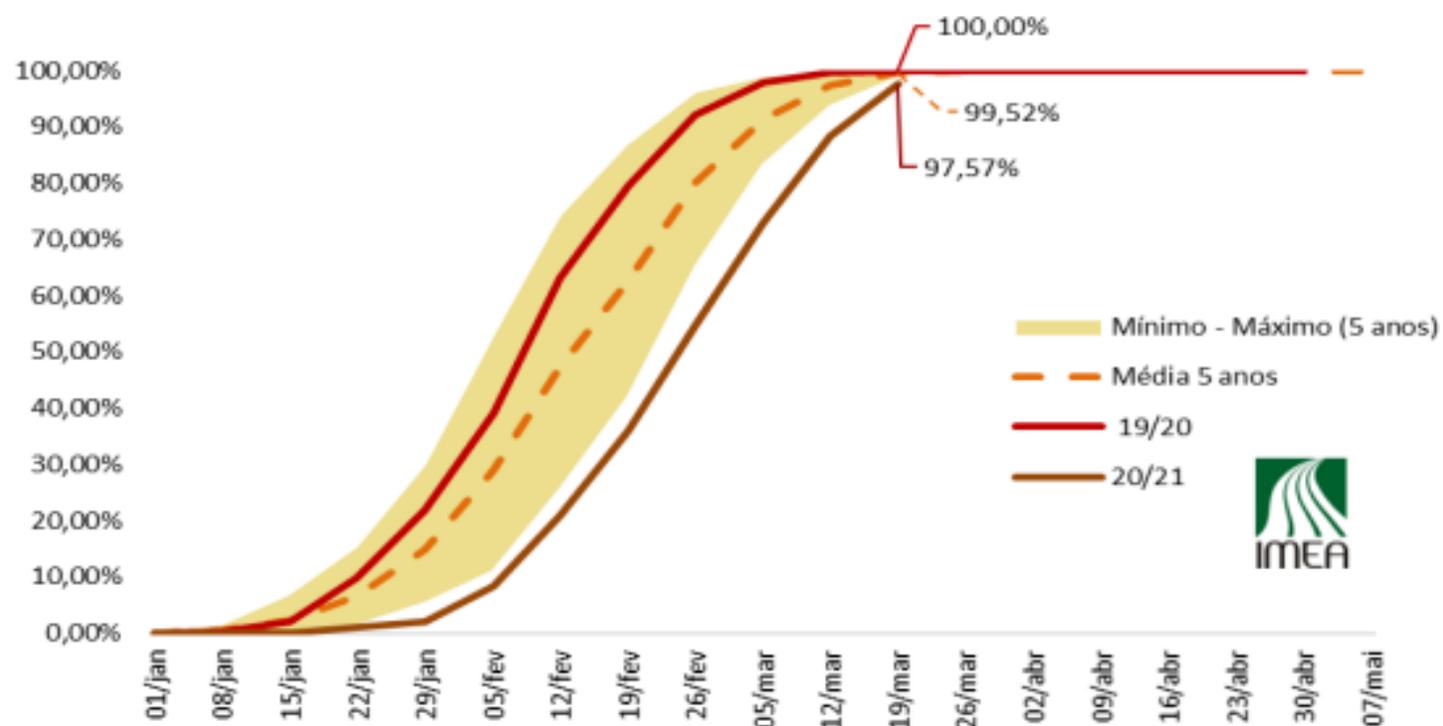
# AGRICULTURE

## BRAZIL

### Brazil corn plant tempo

In the Mato Grosso district of Brazil 97,57% of safrinha corn has been planted by 19 March 2021.

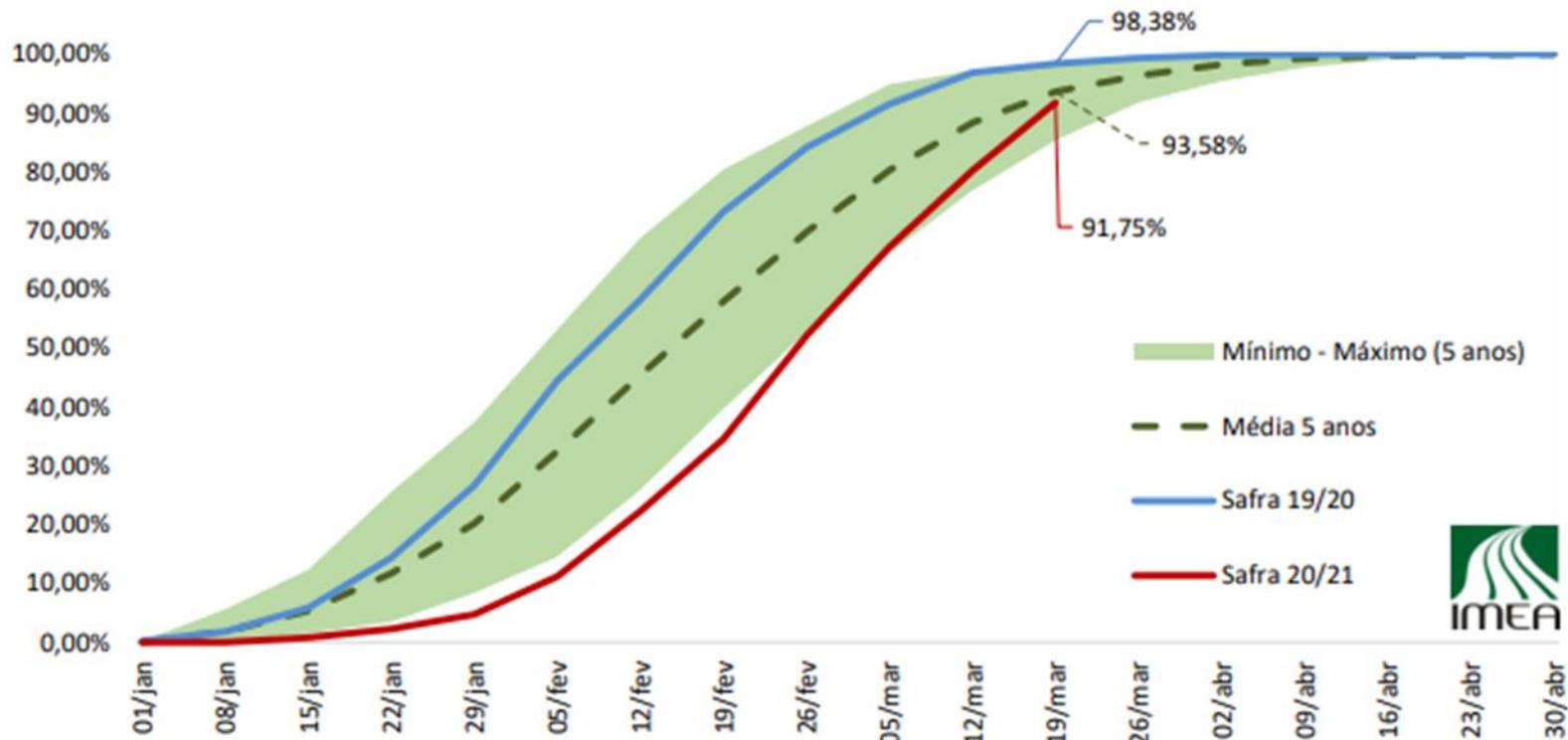
EVOLUÇÃO DO PERCENTUAL DE ÁREA SEMEADA DE MILHO EM MATO GROSSO



Fonte: Imea



## EVOLUÇÃO DO PERCENTUAL DE ÁREA COLHIDA DE SOJA EM MATO GROSSO



Fonte: Imea

Fonte: Imea

# AGRICULTURE BRAZIL

## The Brazil soybean harvest

The Mato Grosso district of Brazil 91,75% of soybeans have been harvested by 19 March 2021.



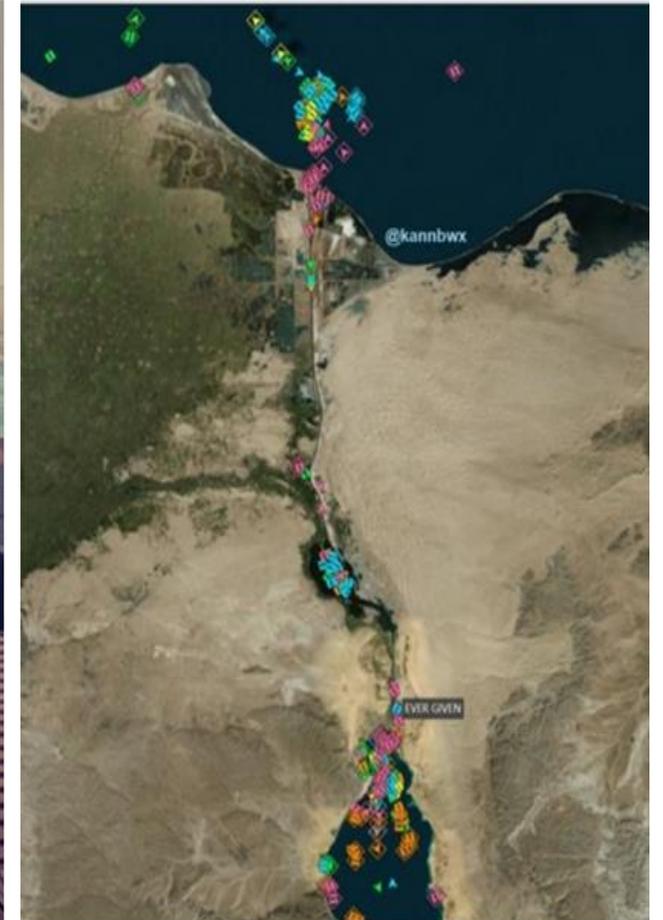
# INTERNATIONAL AGRICULTURE

## CONCERNS ABOUT IMPORT/EXPORT DELAYS IN SUEZ CANAL

The **Evergreen**, a 400-metre long container ship became wedged length-ways across the Suez Canal on Tuesday, preventing all other vessels from passing through. Traffic is fast piling up, affecting all imports and exports via the Canal.

Tug boats are working frantically to free the massive container ship and if not successful within the next few days, it will have serious global ramifications. Traffic will have to be rerouted around Africa, which will cause significant delays and have widespread financial impact.

Oil prices already jumped about 6% on Wednesday due to fears over delayed crude shipments.





# EXCHANGE RATE

## USD/ ZAR

10-year bond yields in Turkey skyrocketed earlier this week. These are the first signs of hyper-inflation, and money immediately flowed to from the lira to the dollar. It has also weakened the rand and other emerging markets.

USD / ZAR is currently trading above the exponential moving averages of 20 and 50 days. At its current level of R14,9295, "bulls" are trying to test the psychological mark of R15,00. Once it moves past the resistance level, the next target is R15,11.





# TRADER SNAPSHOT

## DEFERRED PRICING

When the producer starts planning the marketing of his grain - especially with a large harvest on hand - it is important that he should consider his various options. There are a number of options other than storing the grain in the nearest silo and paying a hefty storage fee.

**One of the options that Rand Agri can offer the farmer from time to time, is deferred pricing (also known as delayed pricing).**

Deferred pricing works as follows:

- The producer delivers his grain to Rand Agri - unpriced - in June/July. The base and place of delivery is set in a volume contract.
- The Safex pricing month is then set, preferably March.
- The producer can now price his maize at any time from the March Safex month.
- Payment also takes place in March. If the producer requires earlier payment, interest will be deducted retroactively from the March pricing at the prime rate.
- The producer therefore has the opportunity to participate 100% in the market, without any storage fees.
- **Please note** that payment is made in the same month as pricing, i.e. March.
- Also note that the market only allows grain traders (such as Rand Agri) to offer the deferred pricing option to farmers from time to time.

Feel free to contact your Rand Agri relationship manager for any enquiries about deferred pricing, as well as other questions such as about price and risk management or grain marketing.



# FIELD AGENT OVERVIEW

## MPUMALANGA

*Mpumalanga area (Middelburg, Stoffberg, Lydenburg, Wonderfontein, Driefontein, Leslie, Bakenlaagte, Kinross).*

Crops are in good condition and 80% of the area's crops are drying. Maize, soybeans and sunflower will produce above-average yields. Rain will benefit the 20% younger crops. The soybean harvesting process will be in full swing post this week's forecast.

"It will be an early maize harvesting season in my Mpumalanga. I expect the bulk of maize to be harvested in May/June", says Gert Oosthuizen.

*Compiled by Gert Oosthuizen, field agent, Mpumalanga*

## NORTH WEST AND WESTERN FREE STATE

Crops in the area are 100% pollinated.

Large areas suffered over the past 6 weeks due to drought. The rainfall received of between 5 mm and 40 mm last week helped a great deal.

If the area receives more rain within the next week or two it, will greatly contribute to the development of the soybeans,

sunflower seeds and maize. Soybeans are still green, but are starting to dry. We expect soybean harvesting to commence in May.

Some of the sunflower seeds are also starting to dry. Sunflower harvesting in this area is expected to take place around the end of April and May.

Harvesting of maize will start by the end of June and in July.

"We expect a normal or above normal maize yield, but not a bumper yield," says Sakkie Koekemoer.

*Compiled by Sakkie Koekemoer, field agent, North West and Western Free State*

## EASTERN FREE STATE & KWAZULU-NATAL MIDLANDS

Early maize plantings are physiologically mature, and the harvest is 95% completed. The later plantings, that make up about 35% to 40%, will benefit greatly from the rainfall received over the last two days, limiting crop and seed loss.

Soybean bean first plantings are now starting to ripen very fast and about 1 000 ha.... **continue to next page**



# FIELD AGENT OVERVIEW ... continued

have been harvested in the above-mentioned area.

The later plantings unfortunately already suffered drought damage but will still benefit from the last two days' rain. The harvest process has now also been slightly delayed due to wet conditions.

Sunflower first plantings are beginning to ripen, but the harvesting process was delayed by rain. The potential of the younger flowers looks very good, but it still has a long way to go before the harvest estimates can be confirmed.

In summary, the prospective yields of maize, soybean and sunflower crops are now better than last week due to the good rainfall. Crop losses on soybeans in particular have therefore now been limited.

“I remain positive about an above-average maize crop and an average to above average soybean crop. An estimation for sunflowers is still too uncertain at the moment, because many sunflowers are only now in bloom,” says Christo Uys.

*Compiled by Christo Uys, field agent Eastern Free State and Kwa-Natal Midlands.*

## MPUMALANGA AND GAUTENG

Most areas in the Mpumalanga/Gauteng area received some rain during the past week. In some places this will delay the soybean harvesting process to next week, depending on weather conditions. However, the rain did not interfere significantly with the harvesting of early soybeans in most areas.

A few farmers are currently busy with maize, since the focus is on soybeans for now.

Good weather in general has boosted crop yields and crop conditions for both maize and soybeans.

### Maize

Harvesting in some areas of Mpumalanga could commence as early as April/May.

About 70% of maize should be harvested in June/July under current conditions.

“Maize crop conditions are still favourable, and above-average yields are expected, in my opinion 6% better than previous years on YM and WM,” says Gerrit van der Walt. .... **continue to next page**



# FIELD AGENT OVERVIEW

## Soybeans

Harvesting of the short-growing-season soybean cultivar has started. Rain has fallen in the region and depending on the amount of precipitation, a two-day delay can be expected in some areas. Other areas will start harvesting again next week. If rain persists in all the areas this might cause pod shattering (currently not a threat).

More rain on the long-growing-season soybeans cultivars might even be beneficial and will help the pods to fill. The soybean plants will have more green materials, which could delay the harvesting process until May.

The current yield reports from farmers harvesting beans indicate an above-average yield, ranging between 2-3 ton. It is too early to predict final crop yields given the small sample of producers showing these good yields.

*Compiled by Gerrit van der Walt, field agent, Mpumalanga and Gauteng.*





# 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*



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