WEEKLY

FOOD-FOR THOUGHT

1 APRIL 2021

RANDAGRI

WEATHER
International weather forecast

PARITIES
Import and export parities for yellow maize

INTERNATIONAL AGRICULTURE
- Brazilian maize plant tempo
- Brazilian soybean harvest progress
- USDA’s planted acres and quarterly grain stocks
- Zambia

NATIONAL AGRICULTURE
Maize exports

EXCHANGE RATE
Overview – USD/ZAR

RAND AGRI SNAPSHOT
- Trader snapshot
- Field report

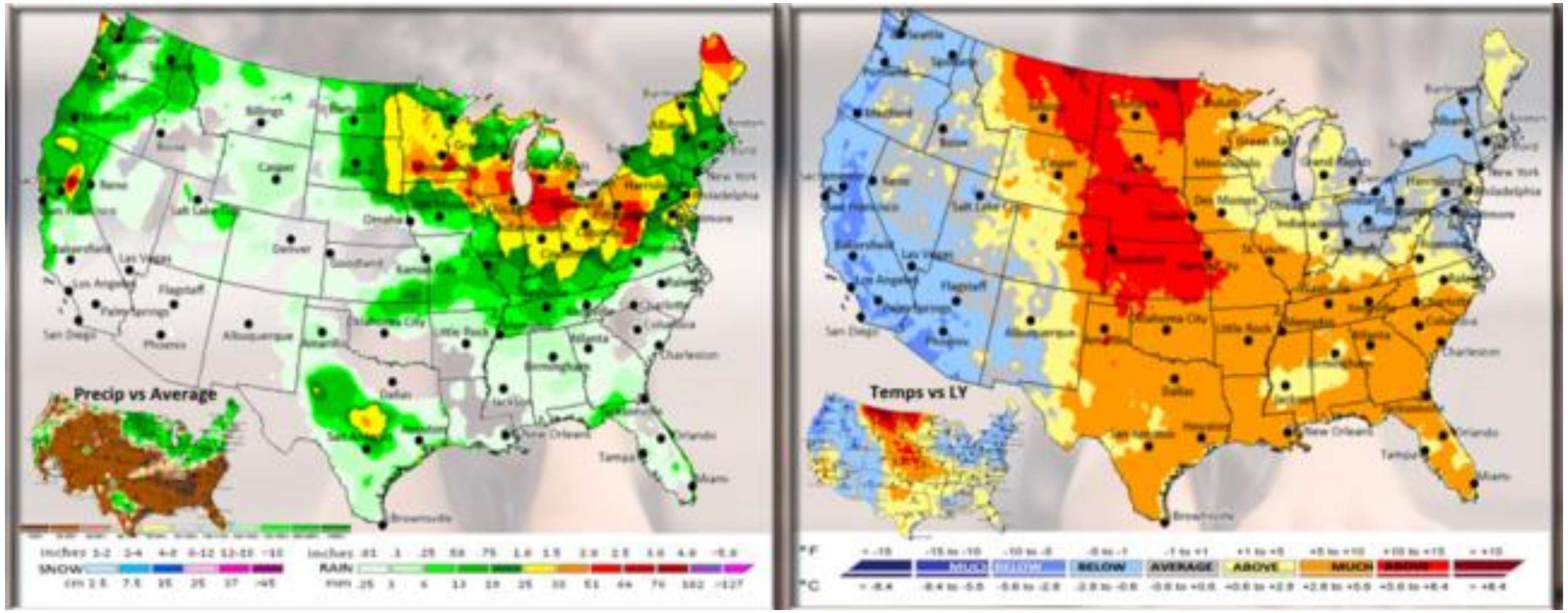
INTERNATIONAL WEATHER

NORTH AMERICA

Week of 5 to 11 April 2021

Rain is expected over the lower parts of the corn belt. It is 32% wetter this year than last year, but it is still the 14th driest in 36 years with below average national rainfall.

Frost and freeze events are possible for this week in the South and North East with temperatures in Florida the coldest in 34 years.

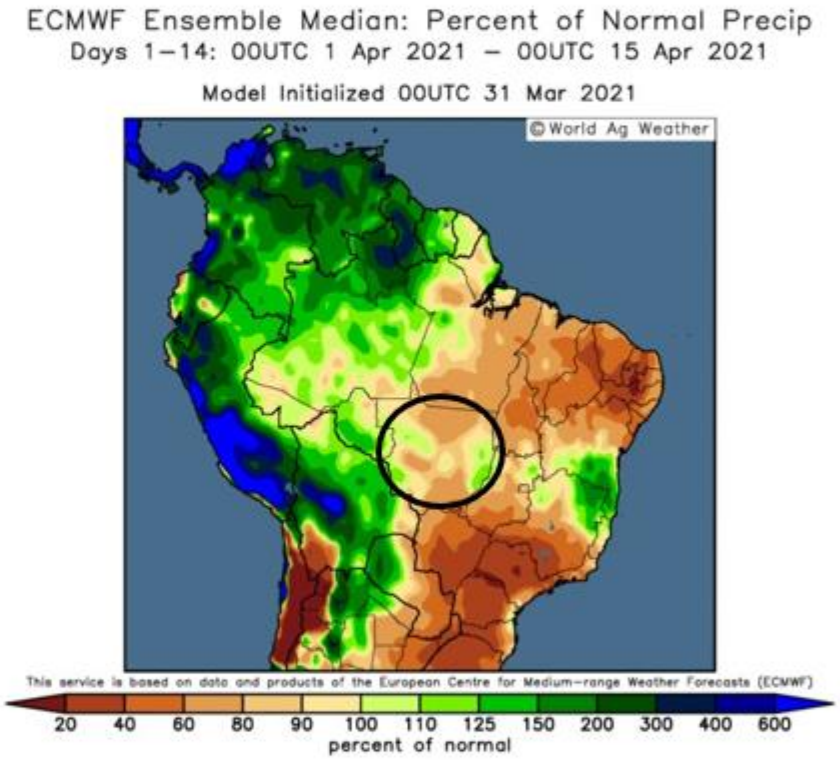


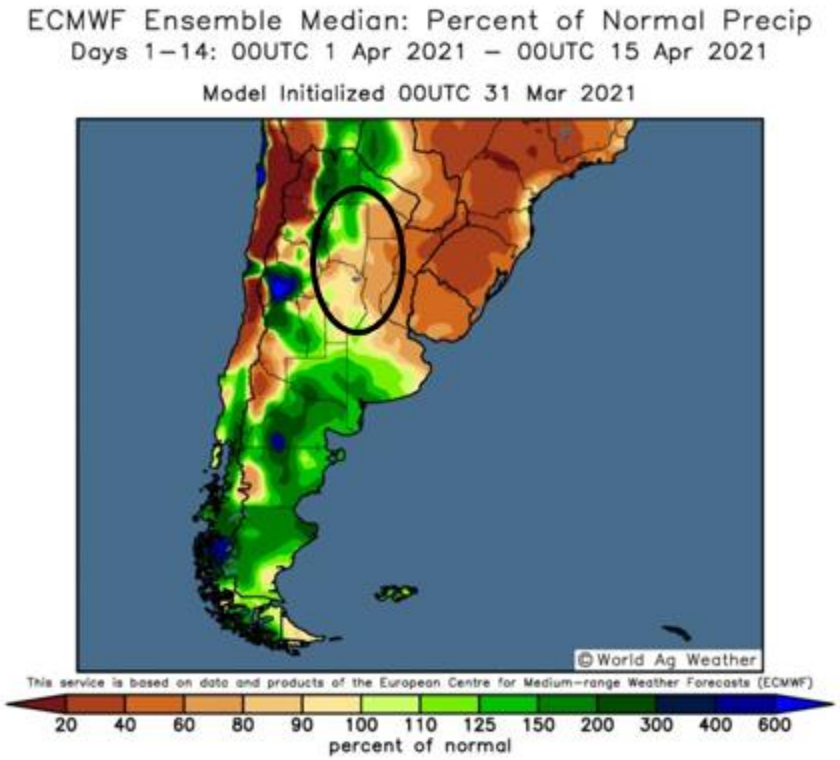
INTERNATIONAL WEATHER

PRECIPITATION FOR SOUTH AMERICA

Brazil is currently experiencing dry weather which could be devastating to the late planted corn crops.

In Argentina, rain is expected but it is mostly too late to support the soy and maize crops in the region.

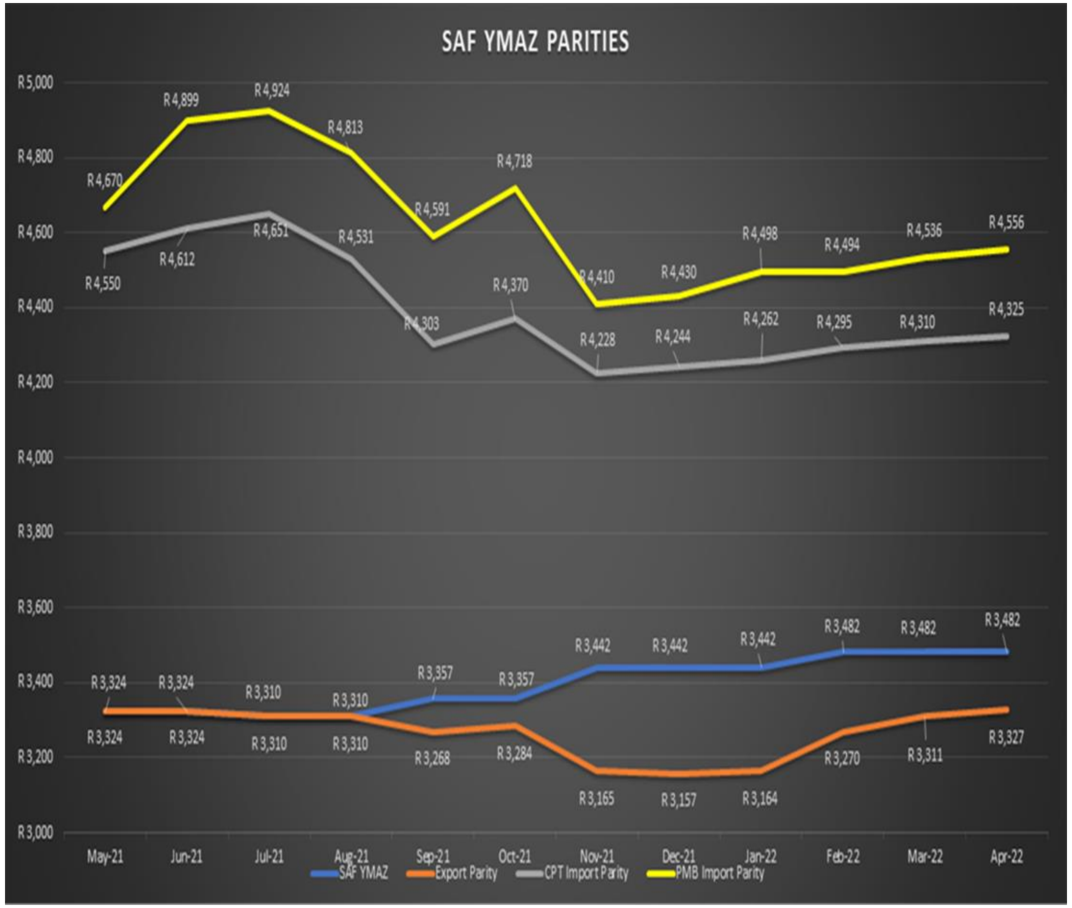




PARITIES

YELLOW MAIZE IMPORT & EXPORT

	May'21	Jul'21	Sept'21	Dec'21
PMB import parity	R4670	R4924	R4591	R4430
CPT import parity	R4550	R4651	R4303	R4244
SAFEX yellow maize	R3324	R3310	R3357	R3442
DBN export parity	R3324	R3310	R3268	R3157



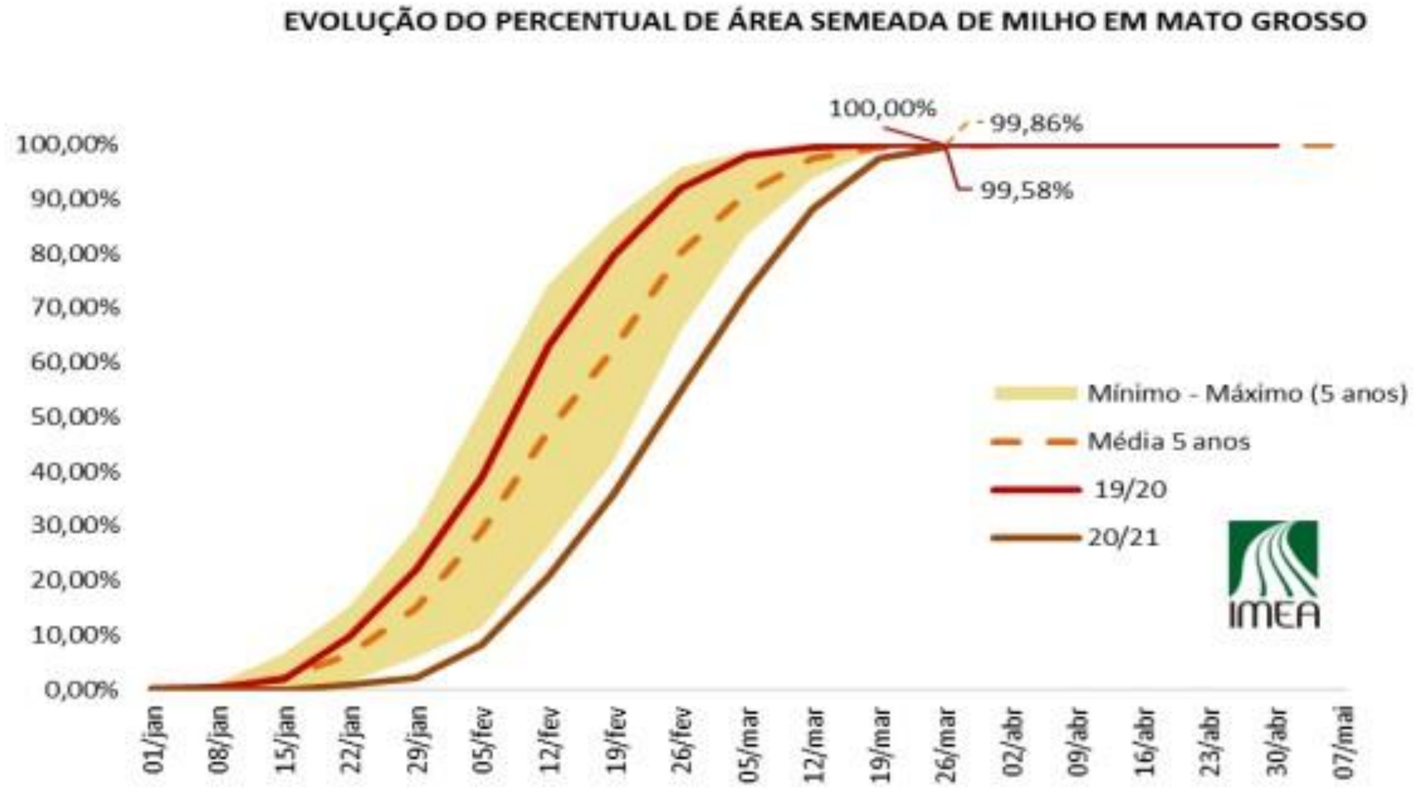
AGRICULTURE

BRAZIL

Maize plant tempo

In Brazil, 88% of safrinha maize was planted last week.

In the Mato Grosso district of Brazil 99,58% of safrinha-maize was planted by 26 March, compared to 97,57% the previous week.



Fonte: Imea

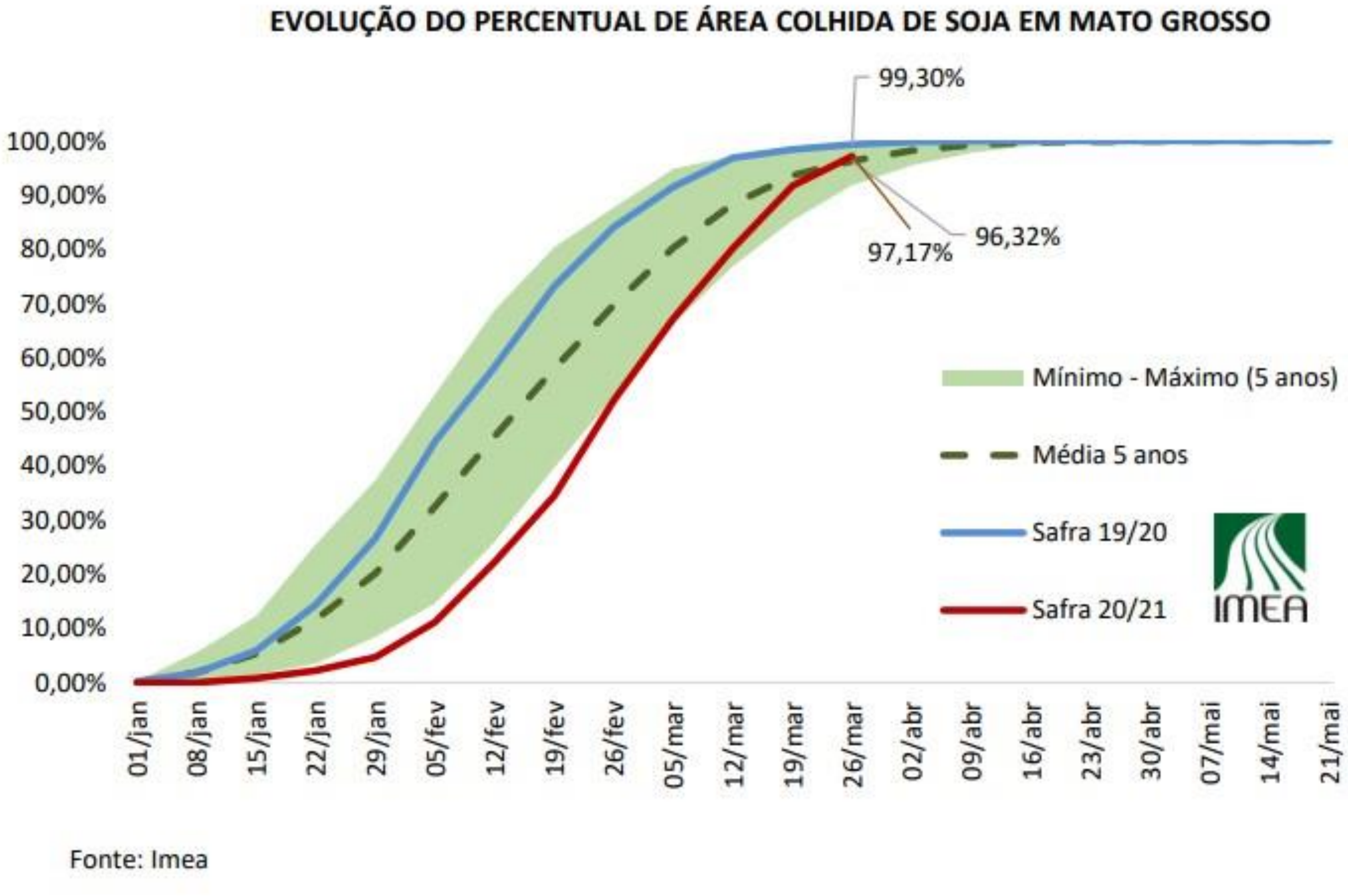
AGRICULTURE

BRAZIL

Soybean harvest tempo

71% of soybeans have been harvested in Brazil.

In the Mato Grosso district of Brazil 97,17% of soybeans was harvested by 26 March, compared to 91,75% the previous week.



INTERNATIONAL AGRICULTURE

USDA QUARTERLY GRAINS REPORT

Corn and soybean planted acres were lower than trade expectations which supported prices.

Wheat planted acres were higher than trade expectations.

Planted Acres (million acres)	1 March 2021	Trade expectations	1 March 2020
Corn	91,144	93,203	90,819
Soybeans	87,600	89,996	83,084
Wheat	43,356	44,971	44,349

Quarterly corn stocks were lower than trade expectations, with soybean and wheat stocks coming in higher than trade expectations.

Grain Stocks (billion bushels)	1 March 2021	Trade expectations	1 March 2020
Corn	7,701	7,767	7,952
Soybeans	1,564	1,534	2,255
Wheat	1,314	1,272	1,415

INTERNATIONAL AGRICULTURE

The losses from earlier this week was recovered for soybeans and corn after the release of the USDA report which came in below expectations.

Soybean prices from 18 March

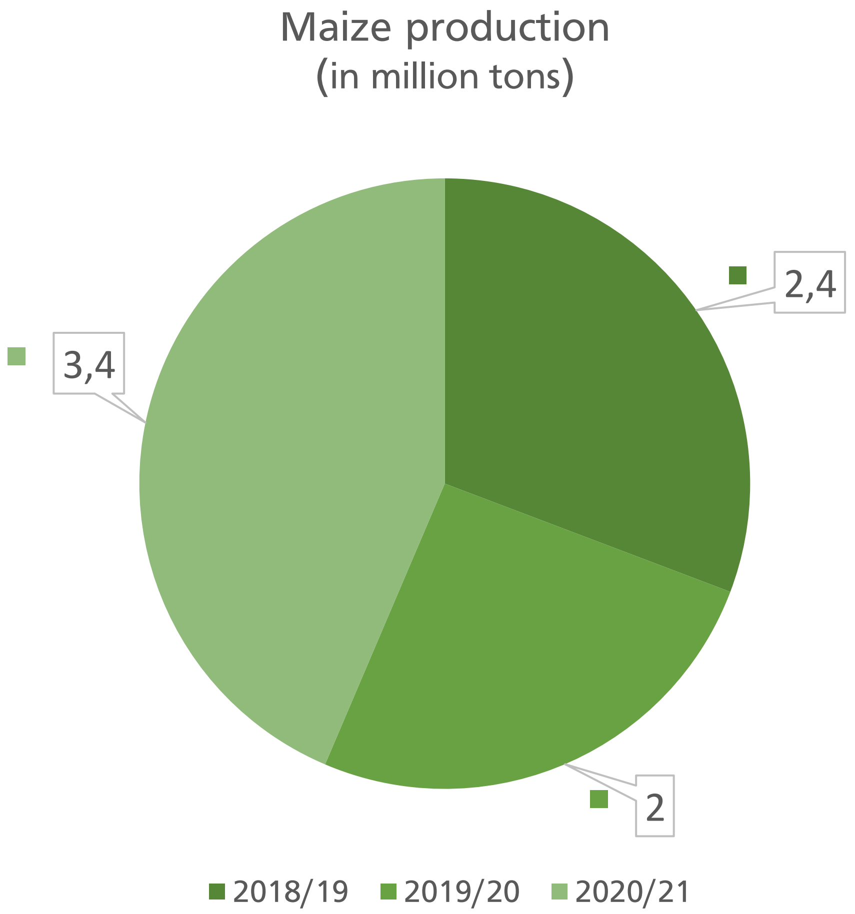
Corn prices from 18 March

INTERNATIONAL AGRICULTURE

ZAMBIA

Over the past 20 years, Zambia has more than doubled maize production through a combination of increased area and productivity, turning the country into a net exporter of maize.

Zambia's 2020/21 maize exports will be limited, despite the bumper crop of 3,4 million tons, as the Zambian government plans to stock 1,0 million tons of maize as strategic reserves.



LOCAL AGRICULTURE

EXPORTS

Yellow Maize exports

Week ending 19 March:	7 694 t
Previous week:	11 599 t

Destination countries

• Zimbabwe:	3 771 t
• Swaziland:	1 804 t
• Namibia:	1 000 t

White maize exports

Week ending 19 March:	23 350 t
Previous week:	23 452 t

Destination countries

• Zimbabwe:	9 804 t
• Botswana:	5 088 t
• Namibia:	4 111 t

EXCHANGE RATE

USD/ ZAR

The daily chart shows the short-term support trendline, which could provide a springboard for prices to push upward. If this trendline is breached, the low at R 14.6131 will serve as initial support target followed by the R 14.5000 key level.
The U.S. stimulus discussion may be prompting a Dollar sell-off. The short-term bullish outlook, should prices respect trendline support, will come from the R 15.0000 psychological resistance level.

THE EFFECT OF INFRASTRUCTURE FAILURE ON AGRICULTURAL INCOME

South African corn prices are currently below export parity for May to July mainly because the ports cannot handle the required capacity. The effect of this is that prices are falling well below other competitors like Argentina, USA, Brazil and Black Sea origins and this by as much as $30/t.

On a 16,5 MT crop this means that producers are losing $495m or R7,4b in possible revenue due to skewed parities.

One cannot help but wonder when our authorities will realise the massive impact their failure to expand infrastructure has on trade and the GDP.

The cost of moving grain to ports by road rather than rail, which should be at least R150/t less than road freight, adds another R300m to the sum. This calculation does not even take into account the massive cost of trucks and the destruction they have on the infrastructure of roads in our country, which amounts to billions and billions of rand.

It is imperative that Government starts spending on infrastructure as our country is outgrowing its jacket.

Overview compiled by: Christoph Grey– Rand Agri executive director.

FIELD AGENT OVERVIEW

MPUMALANGA

Some of the maize is ready to be harvested by mid-April and May. “Gert and I estimate that this season’s maize will be about 6% per ton more than last year,” says Gerrit van der Walt, Rand Agri field agent Mpumalanga and Gauteng.

Soybeans are currently harvested in the dryer areas where it did not rain. If conditions remain dry the harvest should proceed full steam from next week.

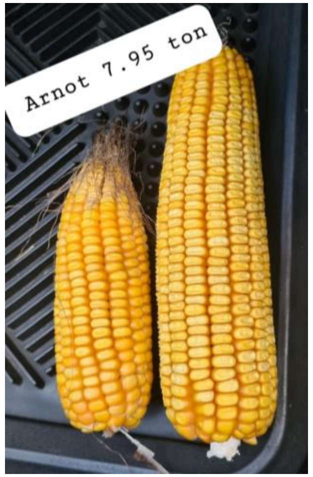
NORTH WEST AND WESTERN FREE STATE

“I estimate that the crop yield for the new season, in the Derby and Boons area, will be between 4,8 and 7,5 ton per hectare”, says Sakkie Koekemoer, Rand Agri field agent for North West Province and Western Free State.

EASTERN FREE STATE & KWAZULU-NATAL MIDLANDS

Christo Uys, Rand Agri field agent, Eastern Free State and Kwazulu-Natal (Midlands), estimate approximately 4 6000 cobs per hectare (180 g per cob, about 180 kg cobs per ton) between Arlington, Petrus Steyn and Bethlehem, with an expected yield of less than 8 ton per ha. However approximately 10 km of the fields are much sandier, with a potential of no more than 4 to 4,5 ton per hectare..

“We expect the average yield for maize in this area to be between 6 to 6,5 ton per hectare and 2-to-2,5-ton soybeans per hectare”, says Uys.



RANDAGRI

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.

+ 27 (013) 243 1166 I Info@randagri.co.za I www.randagri.co.za