

WEEKLY
FOOD-FOR
THOUGHT

16 APRIL 2021





WEATHER

- International weather forecast USA & Brazil



PARITIES

- Import and export parities for yellow maize



INTERNATIONAL AGRICULTURE

- Argentinian maize & soybean harvest tempo
- USA maize & wheat planting tempo
- April WASDE
- China



NATIONAL AGRICULTURE

- Producer Stock and Consumption
- CBOT



EXCHANGE RATE

- Overview – USD/ZAR



RAND AGRI SNAPSHOT

- Trader snapshot
- Field agent report





INTERNATIONAL WEATHER

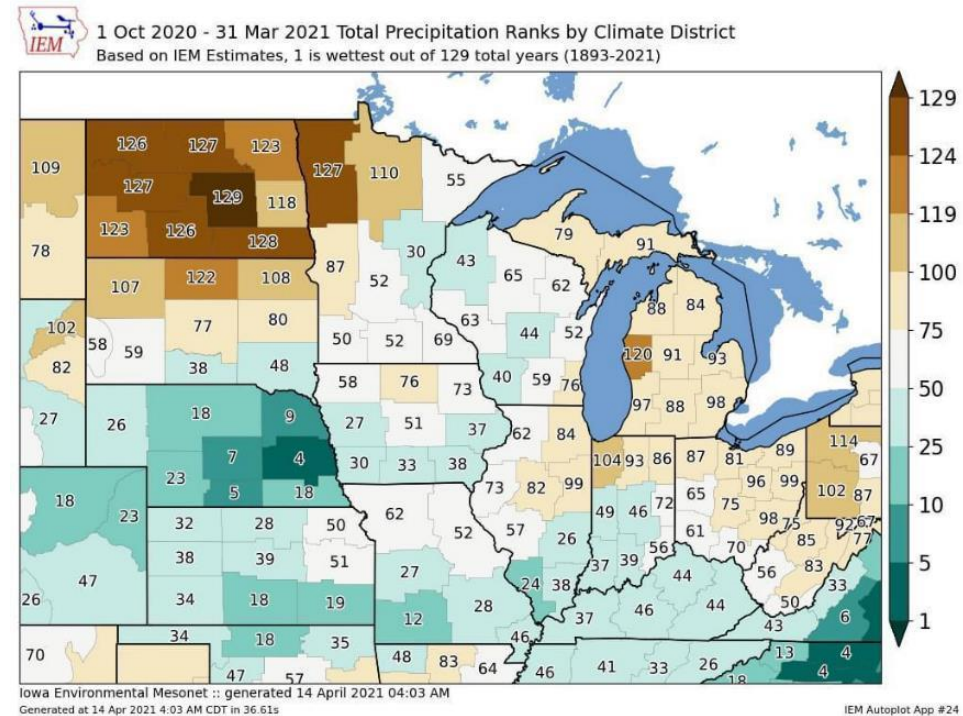
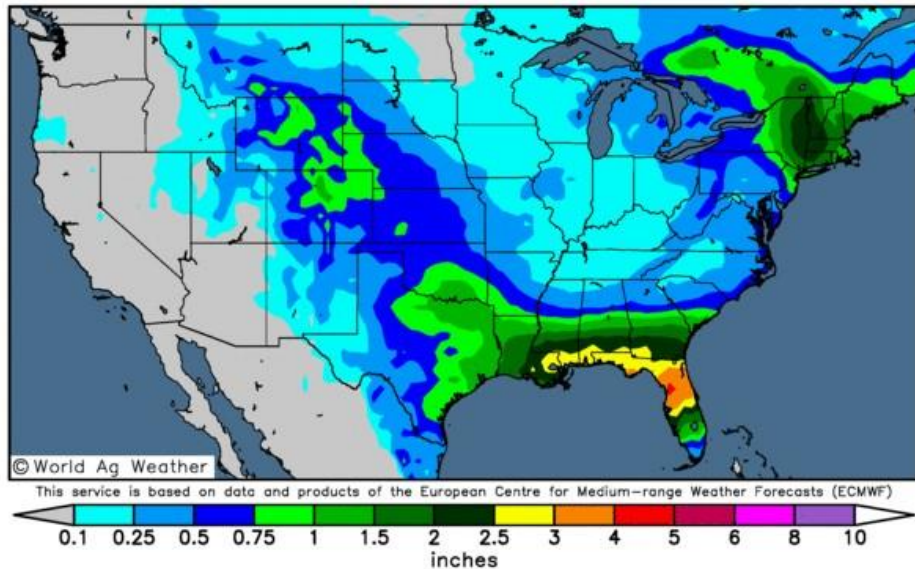
USA WEEKLY FORECAST

Drier weather is expected over the corn belt for the next week with very little rain.

Freezing temperatures is also possible in some areas within the corn belt.

The total precipitation since October 2020 is relatively low over the majority of the corn belt with most areas the driest in 39 to 79 years for the previous 129 years.

ECMWF Precipitation Forecast: Ensemble Median
Days 1-7: 00UTC 15 Apr 2021 - 00UTC 22 Apr 2021
Model Initialized 00UTC 14 Apr 2021





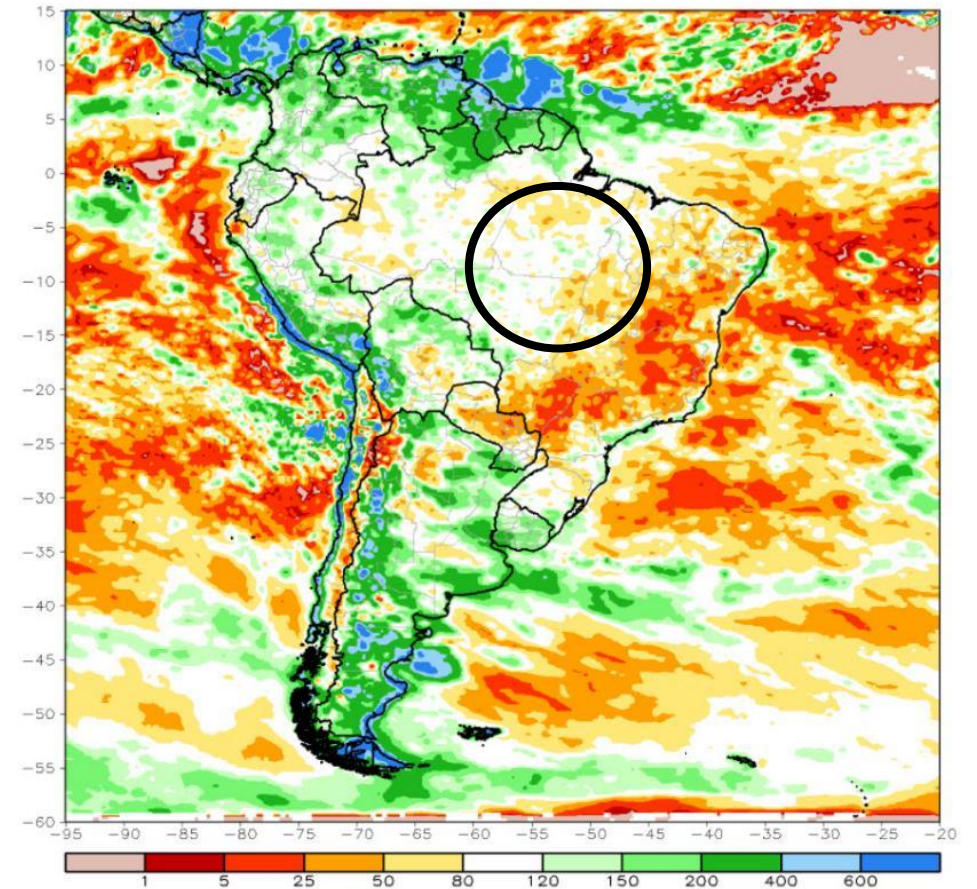
INTERNATIONAL WEATHER

BRAZIL

Large parts of central Brazil have experienced below normal rainfall since mid-March.

This can be problematic since approximately 40-45% of currently planted safrinha-maize is experiencing some moisture deficiency, especially in areas with sandy soil or areas that have received less rainfall to date.

CMORPH 30-Day Percent of Normal Rainfall (%)
Period: 13Mar2021 - 11Apr2021



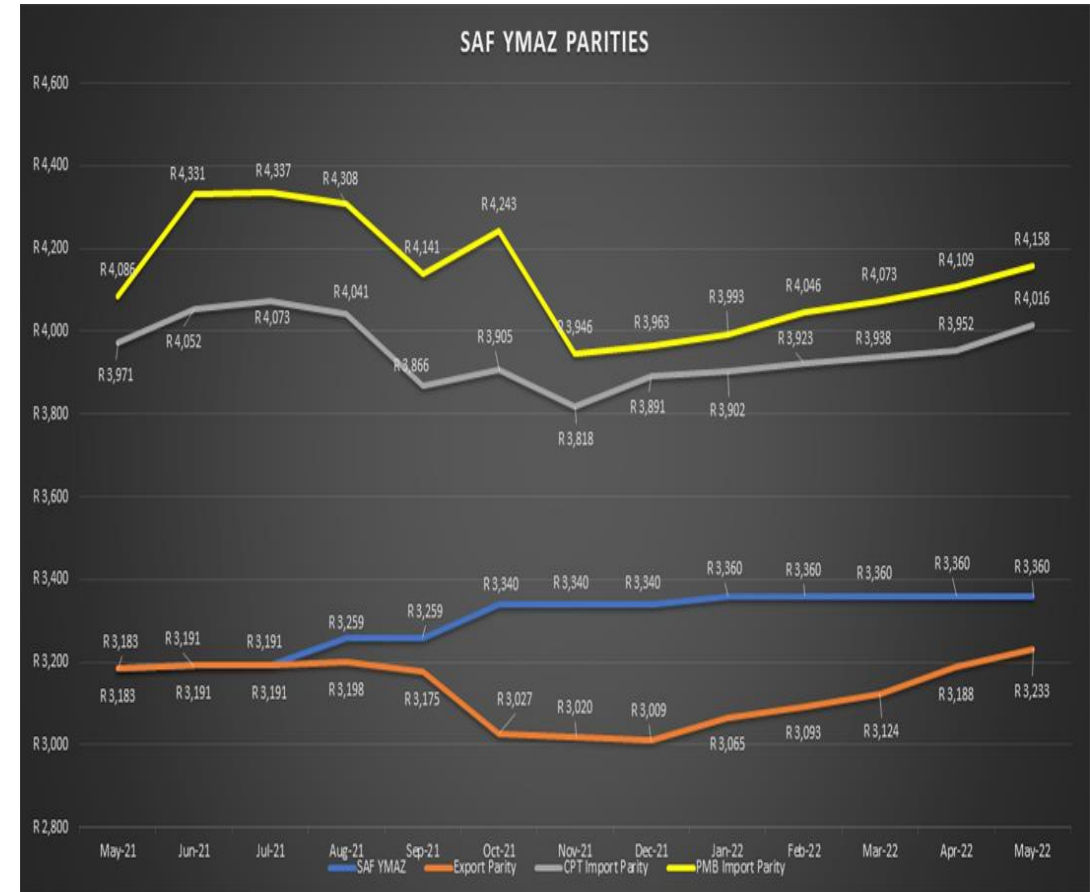


PARITIES



YELLOW MAIZE IMPORT & EXPORT

	May'21	Jul'21	Sept'21	Dec'21
PMB-import parity	R 4 086	R 4 337	R 4 141	R 3 963
CPT-import parity	R 3 971	R 4 073	R3 366	R 3 891
SAFEX-yellow maize	R 3 183	R 3 191	R 3 259	R 3 340
DBN-export parity	R 3 183	R 3 191	R 3 175	R 3 009



AGRICULTURE

ARGENTINA

Maize harvest tempo

In Argentina 12% maize was harvested last week. This represents a tempo increase of 4,1% for the week.



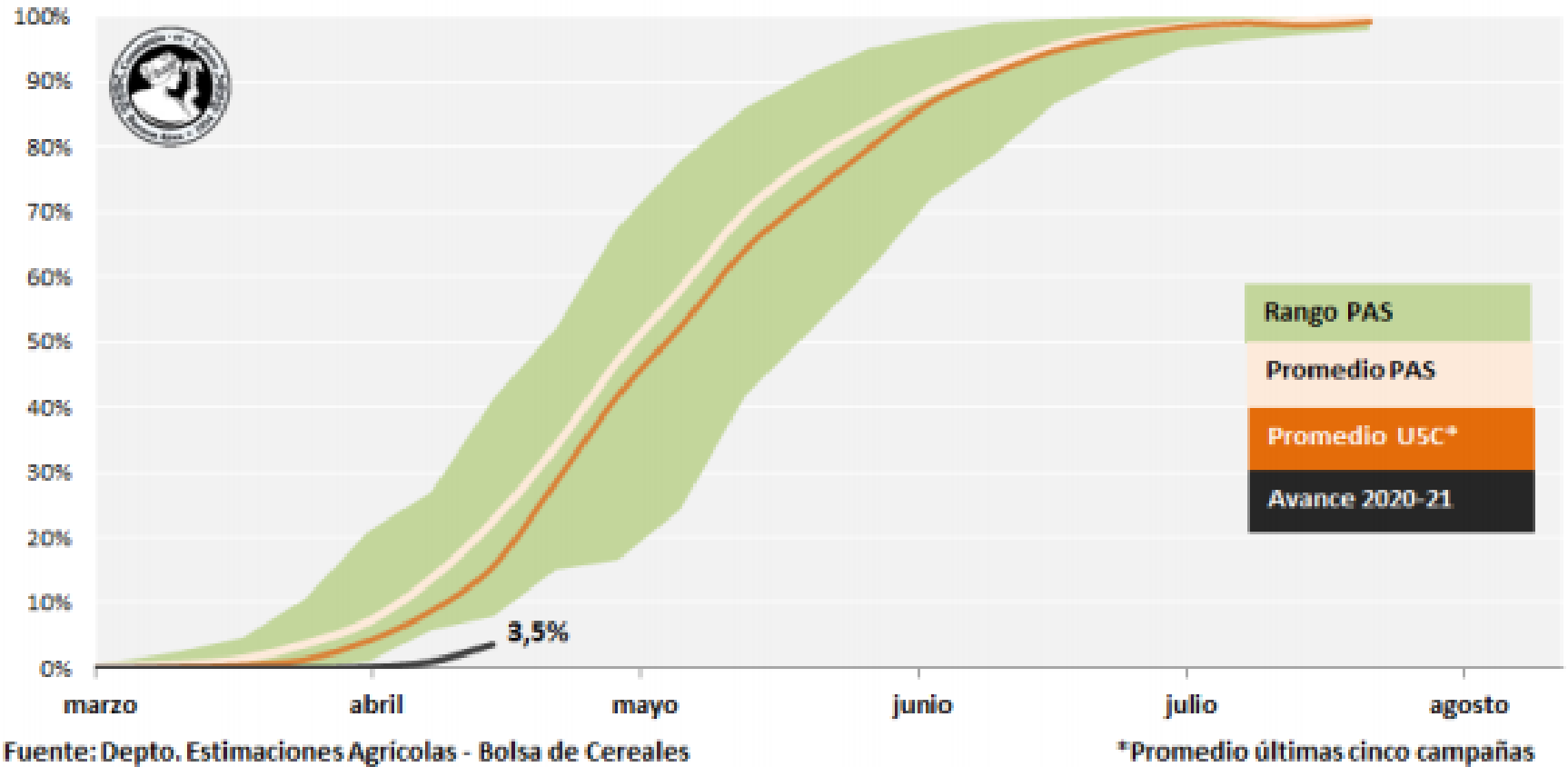
Soybean harvest tempo:

Argentina harvested soybeans last week at a tempo of 3,4% compared to 16,2% last year. The average over the last 5 years is 15,9%.

The early yields of soybeans are disappointing at an average of 3,110 kg/ha.

COSECHA DE SOJA: PROGRESO NACIONAL

Datos al 07/04/2021



AGRICULTURE USA

Corn planting tempo

On 11 April 15,9% corn was planted, compared to last year's planting tempo of 3,5%

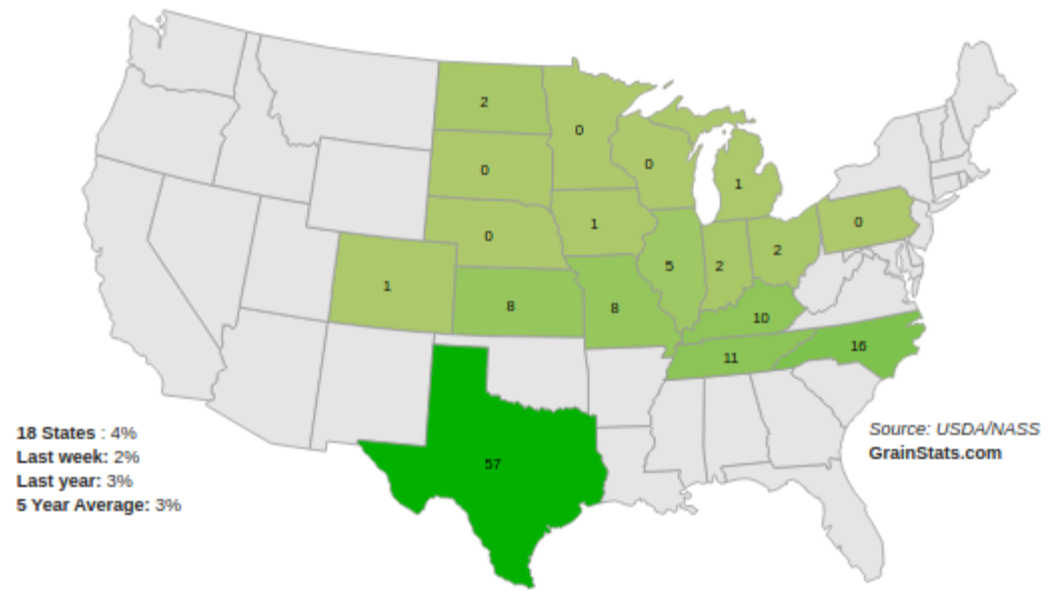


Wheat planting tempo

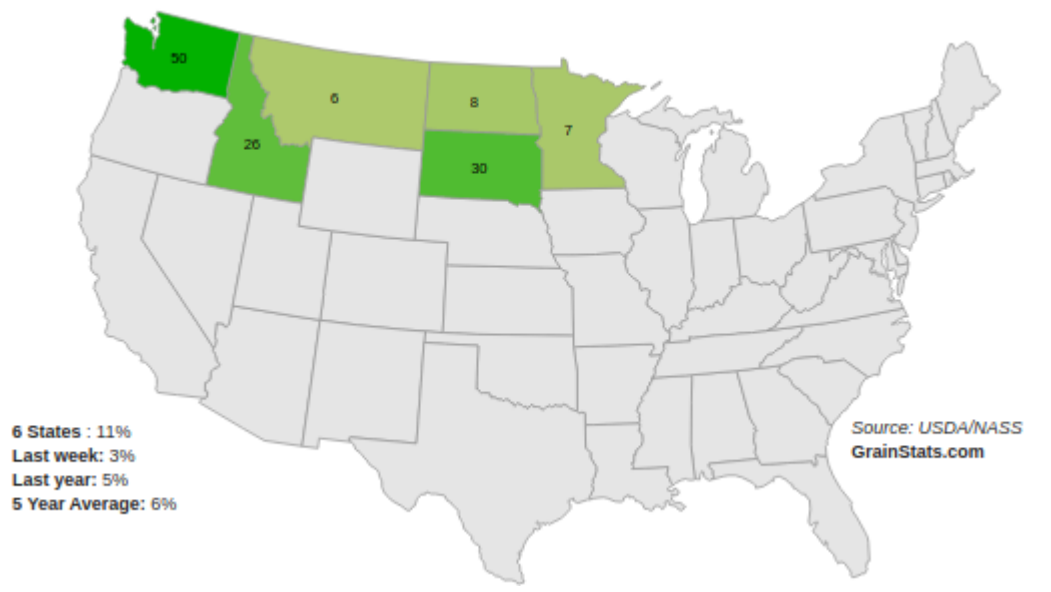
Spring wheat is 11% planted as of 11 April. This is double last year's tempo.

The winter wheat condition was rated 46% good and 30% fair compared to 53% and 28% respectively last year.

Corn Planted Progress(2021-04-11)



Spring Wheat Planted Progress(2021-04-11)





INTERNATIONAL AGRICULTURE

APRIL WASDE

US corn ending stocks were lower than expected and significantly lower than in March's WASDE.

Soybean world stocks were higher than market expectations, following a drop in the soybean volumes that China is forecast to crush.

Wheat world ending stock levels were 6 million tons lower than expectations because China's wheat feed volume estimate was increased.

Brazil's soybean crop increased by 2 million ton, above expectations

USA Ending Stock (billion bushels)			
	April 2020/21	Trade Expectations	March 2020/21
Corn	1 352	1 396	1 502
Soybeans	120	119	120
Wheat	852	847	836

World Ending Stock (million ton)			
	April 2020/21	Trade Expectations	March 2020/21
Corn	283,85	284,82	287,67
Soybeans	86,87	83,52	83,73
Wheat	295,52	301,59	301,19

	Brazil		Argentina	
	Corn	Soybeans	Corn	Soybeans
April 2020/21	109	136	47	47,5
Expectations	108,29	134,03	46,63	46,63
March 2020/21	109	134	47,5	47,5
April 2019/20	102	128,5	51	48,8



INTERNATIONAL AGRICULTURE

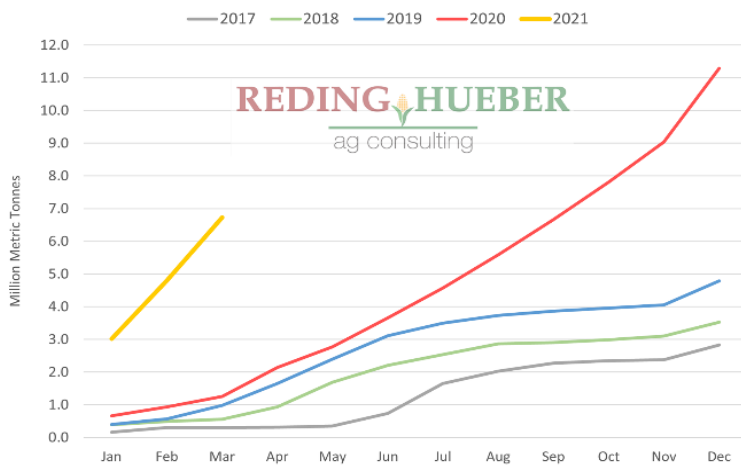
CHINA

China imported 1,93 million ton of corn in March, 607% of the monthly imports from one year ago. Cumulative imports for January-March are 6,73 million ton, that is five times what the first quarter imports were in 2020.

China's TRQ previously capped corn imports at 7,2million metric ton per calendar year. Three months into 2021 and we are almost at that old cap.

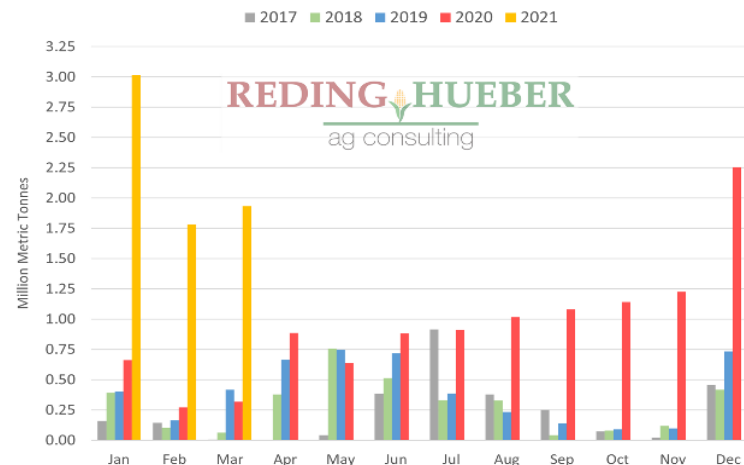
China imported 7,77 million tons of soybeans in March, up 42% on the 5-year average for the month. January-March imports of 21,2 million ton is a record and up 19% on the year. Cargoes from both USA and Brazil were arriving at Chinese ports in March.

CHINA ACCUMULATED CORN IMPORTS



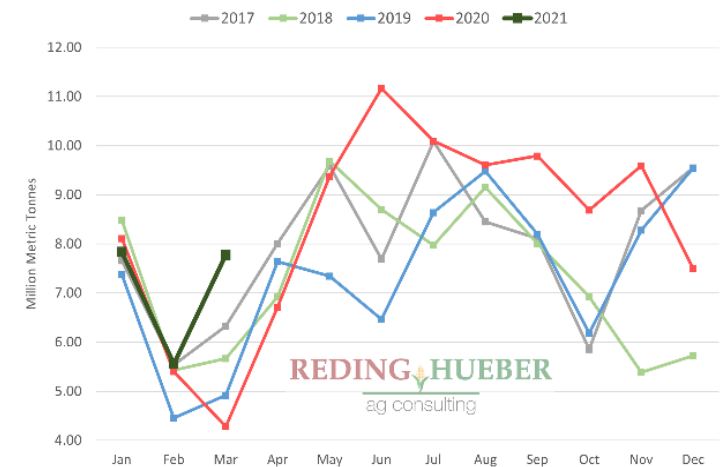
Source: General Administration of Customs People's Republic of China

CHINA MONTHLY CORN IMPORTS



Source: General Administration of Customs People's Republic of China

CHINA MONTHLY SOYBEAN IMPORTS



Source: General Administration of Customs People's Republic of China



NATIONAL AGRICULTURE

SUPPLY AND DEMAND

	2020/21 (TON)				2021/22 (TON)			
	TOTAL SUPPLY	TOTAL DEMAND	END STOCK	DAYS' STOCK	TOTAL SUPPLY	TOTAL DEMAND	END STOCK	DAYS' STOCK
WHITE MAIZE	8 786 723	7 478 100	1 308 623	77	9 868 513	7 812 000	2 056 513	114
YELLOW MAIZE	6 888 609	6 551 000	337 609	25	7 033 509	6 492 500	541 009	42
SOYBEANS	1 475 570	1 427 874	47 696	12	1 745 846	1 596 600	149 246	34
SUNFLOWERS	929 116	867 426	61 690	26	765 380	712 750	52 630	27



CBOT

CORN AND SOYBEANS

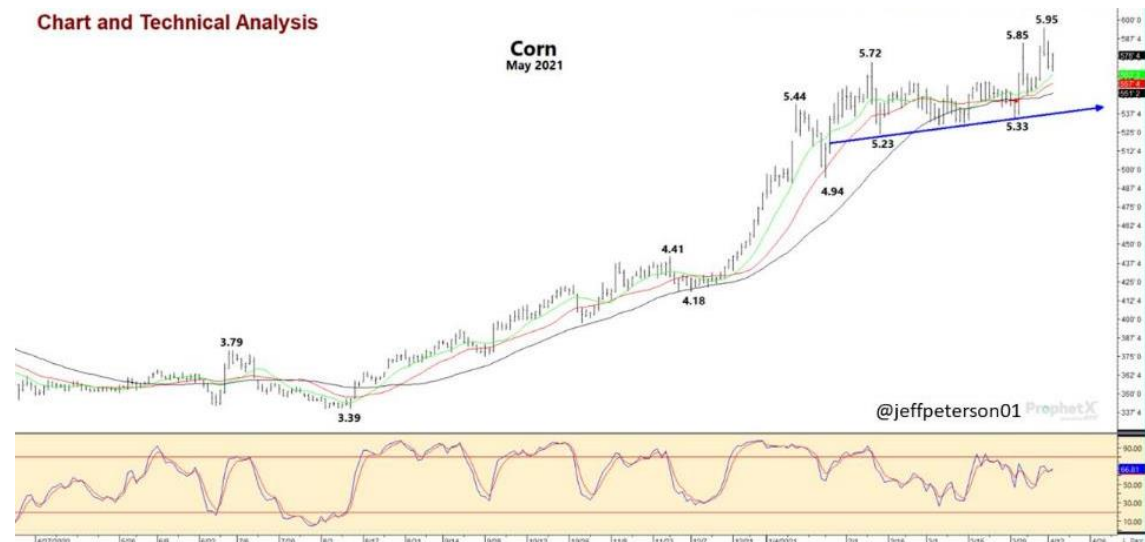
CBOT SOYBEANS

- Soybeans are in a sideways range.
- Trading is currently just below moving averages.



CBOT CORN

- The long term, intermediate, and short term trends are up.
- Trading is currently above moving averages.





EXCHANGE RATE

USD/ZAR



South Africa's rand rallied to its highest in more than 14 months on Wednesday, as improved risk appetite globally and positive local retail sales data supported demand for the currency. The U.S. dollar reached a new four-week low as Treasury yields retreated from last month's surge, with investors convinced by the Federal Reserve's banks argument that interest rates will stay low for some time.

USD/ZAR has been wading through the now well established rectangle pattern. Price action shows a push off rectangle support (61.8% Fibonacci level) and may be turning upward toward the resistance, 50% Fibonacci level.





FUEL PRICE INCREASES AND LEVIES

Diesel is one of the four main input costs for grain farmers, and the entire grain supply chain is affected by fuel price increases. The drastic increase in the price of fuel in April therefore came as an unpleasant shock to farmers.

The two main factors that determine the fuel price are the international crude oil price and the rand/dollar exchange rate. In addition, taxes and levies are charged on fuel. These were also increased.

Let's look at the fuel taxes and levies in more detail:

A large part of the price of fuel in South Africa is accounted for by the General Fuel Levy (the GFL) and the contribution to the Road Accident Fund (RAF). These levies were adjusted on 7 April after the latest budget speech by minister Tito Mboweni.

- Tax on petrol now amounts to R3,93 per litre and R3,79 per litre on diesel.
- The contribution to the road accident fund currently stands at R2,07 per litre for petrol as well as diesel.
- There are also a few other minor levies charged on fuel, including: customs and excise duties at 4 cent per litre, a management fee of 10 cent per litre and other levies of 1 cent per litre.

The total cost of taxes and levies in one form or another therefore amounts to R6,15 per litre. That makes up roughly 36% of the fuel price.

The wholesale margin on diesel is 77 cent per litre, while storage and distribution costs add another 43 cent per litre. As is the case in maize trading, a location differential also applies to diesel. In Gauteng this location differential comes to 65 cent per litre.

These costs add up to R7,86 per litre. Added to the base price of diesel of R6,93 per litre, this comes to a total wholesale price of R14,77 per litre.

That is cause for reflection ...

Compiled by Ampie Rossouw – Senior grain trader



TRADER SNAPSHOT



FIELD AGENT REPORT

FIELD AGENT: Gerrit van der Walt

MAIZE				
MPUMALANGA & GAUTENG	HARVEST TO DATE	% HARVESTED	YIELD PREVIOUS YEAR (T/HA)	EXPECTED YIELD (T/HA)
Davel	22/04/2021	0%	6,6	7,1
Morgenzon	29/04/2021	0%	6	7
Estancia	03/05/2021	0%	6,1	6,5
Lothair	26/04/2021	0%	7,3	7,8
Chrissiesmeer	03/05/2021	0%	7,3	7,8
Delmas	03/05/2021	0%	7,5	7,5
Bapsfontein	22/04/2021	2%	7,4	7,9
Eloff/Sundra	03/05/2021	0%	7,2	7,7
Ogies	03/05/2021	0%	7,5	7,5
Witbank	03/05/2021	0%	6,27	6,7
Bronkhorstspuit	03/05/2021	0%	5,25	6

SOYBEANS				
MPUMALANGA & GAUTENG	HARVEST TO DATE	% HARVESTED	YIELD PREVIOUS YEAR (T/HA)	EXPECTED YIELD (T/HA)
Davel	April	30-40%	1,6	2,2
Morgenzon	April	40%	1,95	2,7
Estancia	April	30%	1,6	2,2
Lothair	April	30%	2,4	3
Chrissiesmeer	April	35%	2,5	3
Delmas	April	30%	2,6	2,8
Bapsfontein	April	30%	3	3,3
Eloff/Sundra	April	30%	2,6	2,8
Ogies	April	30%	1,7	2
Witbank	April	10%	2,2	2,2
Bronkhorstspuit	April	20%	1,9	2,4



FIELD AGENT REPORT ... Continue

FIELD AGENT: Gert Oosthuizen

MAIZE				
MPUMALANGA	HARVEST TO DATE	% HARVESTED	YIELD PREVIOUS YEAR (T/HA)	EXPECTED YIELD (T/HA)
Middelburg	19/04/2021	0%	5	7
Stoffberg	01/05/21	0%	5	6
Lydenburg	01/05/21	0%	10	10
Wonderfontein	01/05/21	0%	8	9
Driefontein	01/05/21	0%	8	9
Leandra	01/05/21	0%	7	8

SOYBEANS				
MPUMALANGA	HARVEST TO DATE	% HARVESTED	YIELD PREVIOUS YEAR (T/HA)	EXPECTED YIELD (T/HA)
Middelburg	APRIL	50%	1,5	2,2
Stoffberg	12/03/2021	50%	1,5	3
Lydenburg	APRIL	50%	3,5	3,5
Wonderfontein	APRIL	40%	2,5	3
Driefontein	APRIL	40%	2	3
Leandra	APRIL	30%	2	3

FIELD AGENT Gerhard Reyneke

MAIZE				
MPUMALANGA	HARVEST TO DATE	% HARVESTED	YIELD PREVIOUS YEAR (T/HA)	EXPECTED YIELD (T/HA)
Bethal	01/05/21	0%	7	7,5
Standerton	01/05/21	0%	7	7,5
Ermelo	01/05/21	0%	7	7,5
Amersfoort	01/05/21	0%	7,5	8,5
Maizefield	01/05/21	0%	6,2	7
Hendrina	01/05/21	0%	7	7,5
Trichardt	13/04/21	2%	6,8	7

SOYBEANS				
MPUMALANGA	HARVEST TO DATE	% HARVESTED	YIELD PREVIOUS YEAR (T/HA)	EXPECTED YIELD (T/HA)
Bethal	April	30%	2,2	2,5
Standerton	April	40%	2,4	3
Ermelo	April	30%	2,4	3
Amersfoort	April	5%	2,5	3
Maizefield	April	25%	1,9	2,5
Hendrina	April	40%	2,2	2,8
Trichardt	April	40%	2,1	2,5



FIELD AGENT REPORT ... Continue

FIELD AGENT: Christo Uys

MAIZE				
EASTERN FREE STATE	HARVEST TO DATE	% HARVESTED	YIELD PREVIOUS YEAR (T/HA)	EXPECTED YIELD (T/HA)
Bethlehem, Kestell ,Kransfontein	15/05/21	0	5,8	6,1
Bethal, Lindley, Petrus Steyn, Reitz	15/05/21	0	5,7	5,2
Warden - Harrismith	15/04/21	2%	7,2	7,0 - 7,5
Bethal, Senekal, Arlington	15/04/21	0	5,5	4,5 - 6,2
Ficksburg, Clocolan, Marquard, Winburg	01/06/21	0	4,5	4,2 - 5,1
Bergville, Winterton	15/04/21	0	6,5 - 7,4	7,5 - 8,3
Greytown - Stanger	25/04/21	0	8,5	10

SOYBEANS				
EASTERN FREE STATE	HARVEST TO DATE	% HARVESTED	YIELD PREVIOUS YEAR (T/HA)	EXPECTED YIELD (T/HA)
Bethlehem, Kestell ,Kransfontein	15/04/21	5%	2,5	2,2
Bethal, Lindley, Petrus Steyn, Reitz	20/04/21	10%	1,85	2,1
Warden - Harrismith	15/04/21	15%	2,2	2
Bethal, Senekal, Arlington	25/04/21	0%	1,9	2.0 – 2,3
Ficksburg, Clocolan, Marquard, Winburg	01/05/21	0%	1,8	2,2
Bergville, Winterton	01/04/21	80%	3,2	4,0 – 4,5

SUNFLOWER SEED				
EASTERN FREE STATE	HARVEST TO DATE	% HARVESTED	YIELD PREVIOUS YEAR (T/HA)	EXPECTED YIELD (T/HA)
Bethlehem, Kestell ,Kransfontein	01/05/21	0%	1,3	1,8
Bethal, Lindley, Petrus Steyn, Reitz	01/05/21	0%	1,8	1,9
Warden - Harrismith	01/05/21	0%	1,85	1,9 – 2,1
Bethal, Senekal, Arlington	15/05/21	5%	1,75	2
Ficksburg, Clocolan, Marquard, Winburg	01/05/21	0%	1,6	2,1



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.



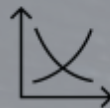
Logistics including sourcing, storage, export and delivery of grains and agricultural lime directly to customers.



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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