

WEEKLY FOOD-FOR THOUGHT

9 APRIL 2021





WEATHER

Weather forecast for North America



PARITIES

Import and export parities for yellow maize



INTERNATIONAL AGRICULTURE

- USDA planting progress and crop conditions
- Argentinian harvest tempo
- Zimbabwe



NATIONAL AGRICULTURE

Producer deliveries



EXCHANGE RATE

Overview – USD/ZAR



RAND AGRI SNAPSHOT

- Trader snapshot
- Field report



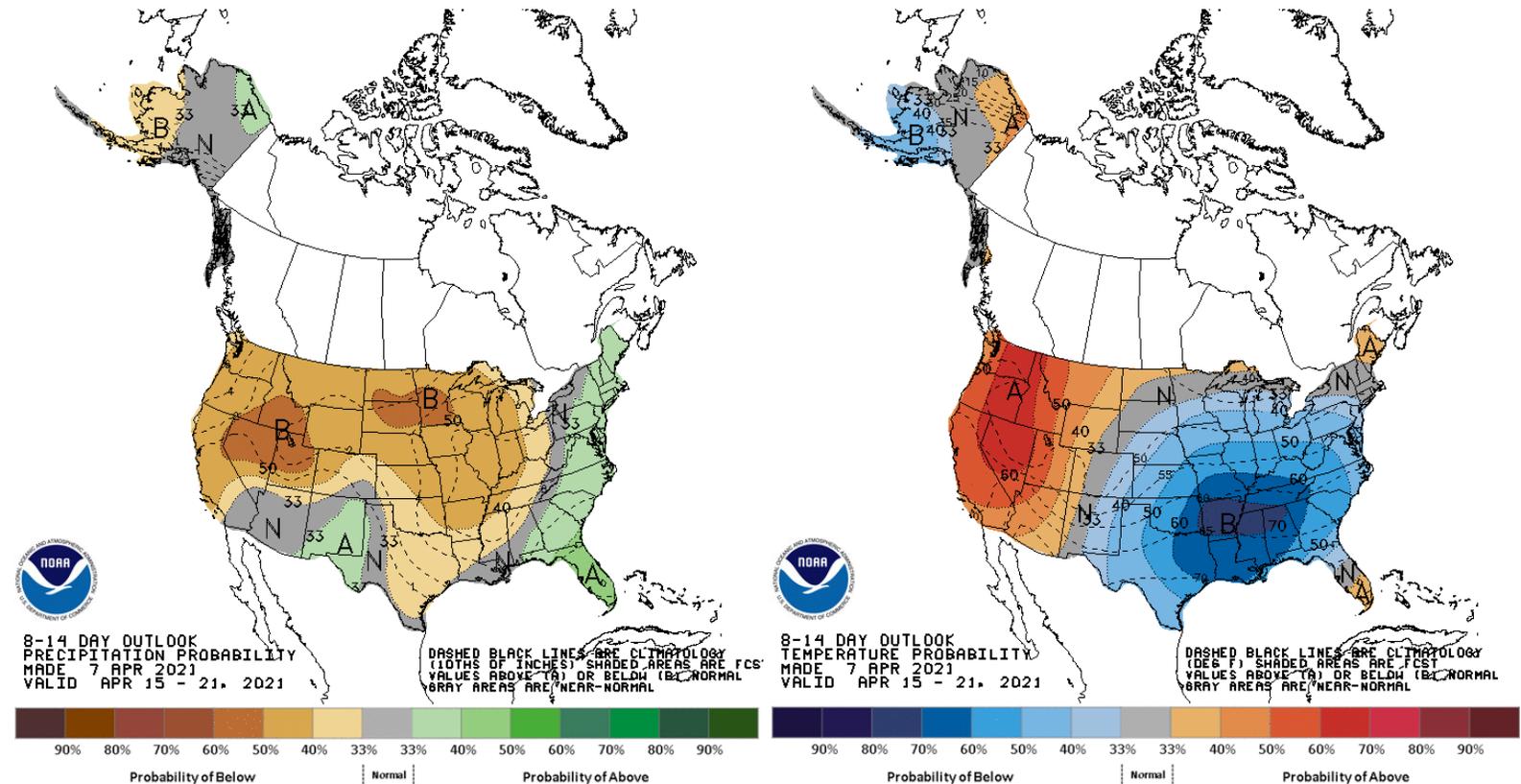


INTERNATIONAL WEATHER

WEATHER FORECAST FOR NORTH AMERICA

There is a risk of temperatures below zero over plains of US next week.

Drier weather is expected next week with below normal precipitation. This is problematic for continued soil moisture in the corn belt and drought stricken areas.



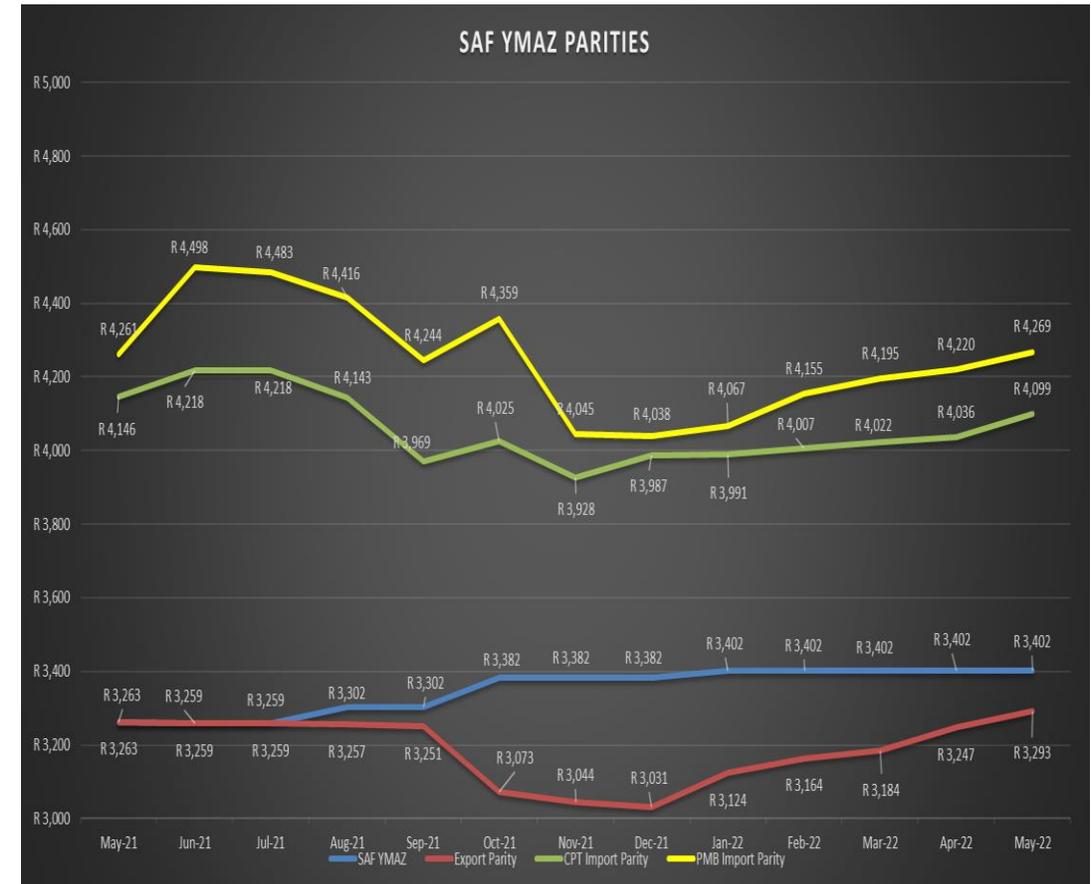


PARITIES



YELLOW MAIZE IMPORT & EXPORT

	May'21	Jul'21	Sept'21	Dec'21
PMB import parity	R4 261	R4 483	R4 244	R4 038
CPT import parity	R4 146	R4 218	R3 969	R3 987
SAFEX yellow maize	R3 263	R3 259	R3 302	R3 382
DBN export parity	R3 263	R3 259	R3 251	R3 031





USDA PLANTING PROGRESS AND CROP CONDITION

Maize:

As at 4 April, 2% of corn was planted, with the state of Texas leading the line with 55% planted. This is in line with last years planting tempo.

Wheat:

Spring wheat was 3% planted as of 4 April. This is also in line with the tempo of the previous year.

47% of winter wheat was rated "good" compared to 53% last year the same period.



INTERNATIONAL AGRICULTURE

AGRICULTURE

ARGENTINA

Maize harvest tempo

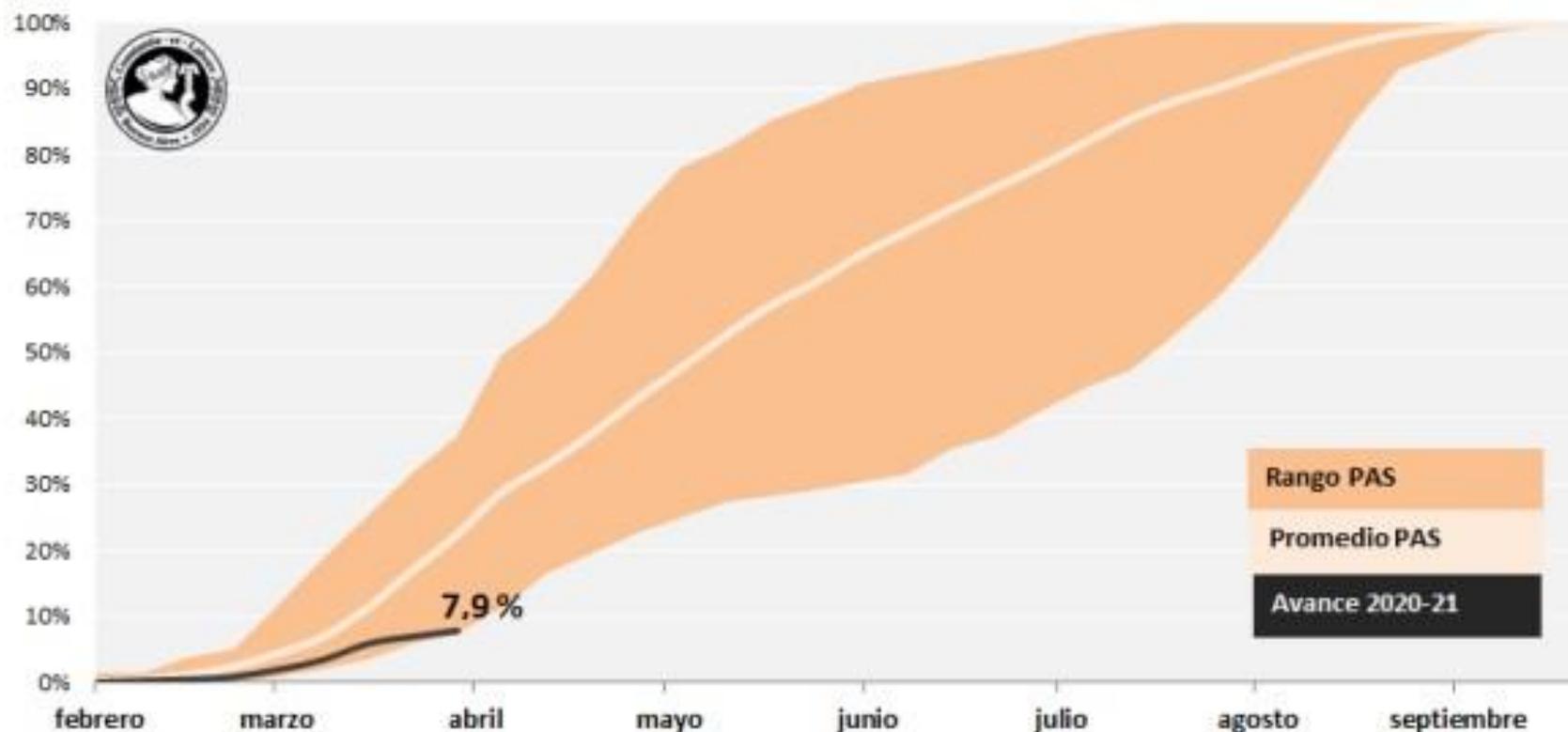
7,9% of maize in Argentina was harvested by 31 March, an advantage of only 0,9% for the week.

This is below the average of 18.9% for the period. The average countrywide maize yield so far is 7 440 kg / ha with a range of 5 000 to 8 500 kg / ha.



COSECHA DE MAÍZ: PROGRESO NACIONAL

Datos al 30/03/2021



Fuente: Depto. Estimaciones Agrícolas - Bolsa de Cereales



INTERNATIONAL AGRICULTURE

ZIMBABWE

Zimbabwe's maize crop for the 2020/21 year is estimated at 907 628 ton, 17% higher than the 2019/20 maize crop of 776 635 ton.

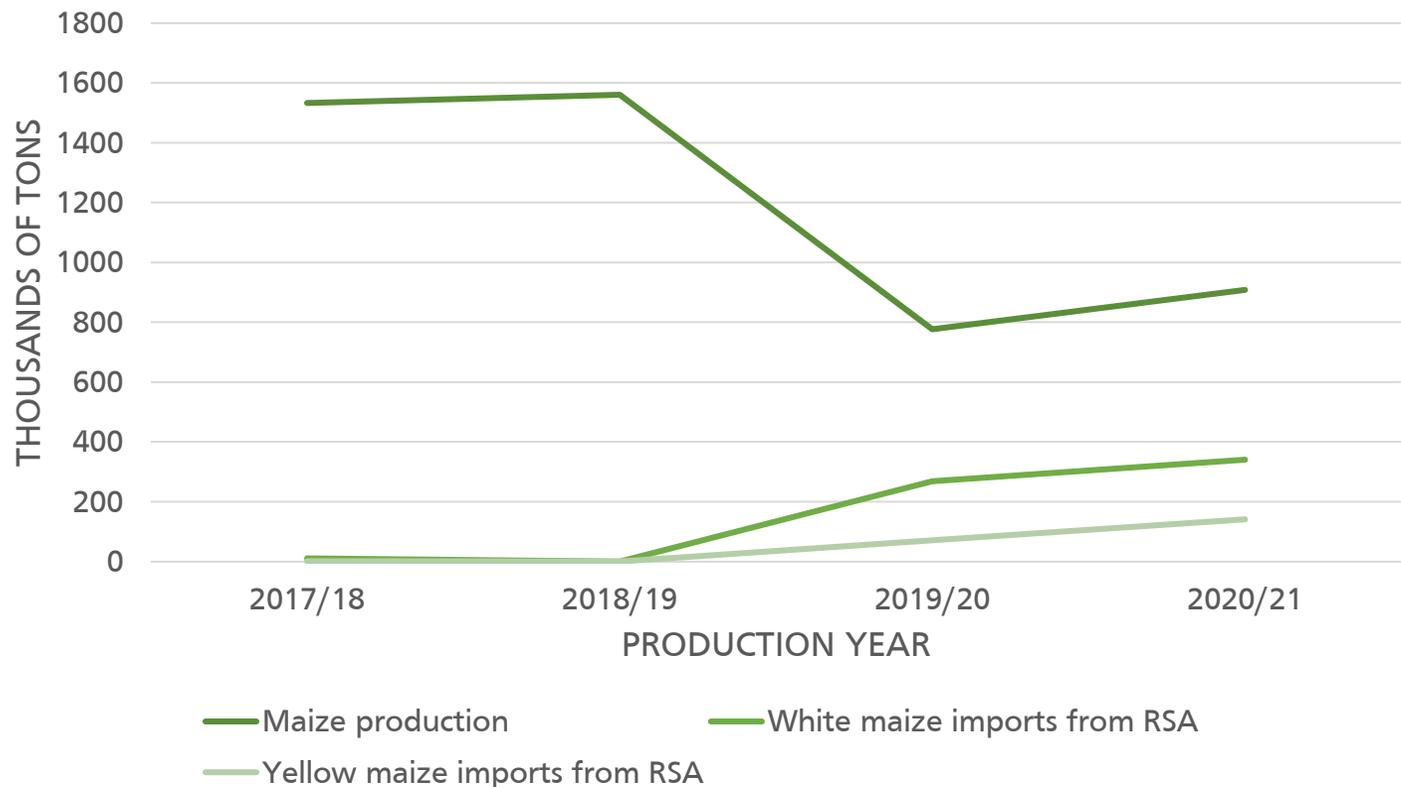
The 2020/21 season is the second consecutive period during which Zimbabwe recorded a below-average maize harvest, due to an extremely challenging and climatically sub-optimal summer crop season, and food security is of severe concern.

Late in 2019, Zimbabwe lifted restrictions on the importation of genetically engineered maize. This paved the way for South Africa to be the main supplier of maize to Zimbabwe.

Since 25 April 2020 South Africa has exported 340 745 ton of white maize and 140 805 ton of yellow maize to Zimbabwe.

<https://www.fas.usda.gov/data/zimbabwe-grain-and-feed-annual-2>

ZIMBABWEAN MAIZE PRODUCTION VERSUS IMPORTS FROM RSA





NATIONAL AGRICULTURE

PRODUCER DELIVERIES

PRODUCER DELIVERIES 2021/22 SEASON (TON)				
	WEEK 5 (ENDED 2 APRIL)	WEEK 4	TOTAL 2021/22*	WEEK 5 2020/21
SOYBEANS	27 594	70 033	139 717	9 486
SUNFLOWERS	3 470	11 590	32 155	1 596

**Total 2021/22 = Week 1 to Week 5 (ended 2 April 2021)*



WHAT IS THE FOCUS OF THE GRAIN MARKET AND WHEN?

In the technological era in which we now live, an abundance of information is easily available. Yet the question remains what is the focus of the grain market and when?

There are 7 billion people on the planet and grain is produced and consumed in different geographical areas.

What should a producer/consumer then do if they want to focus on ensuring an optimal yield, delivering the best quality product while managing price?

Johan Gouws, Rand Agri oilseed dealer, provide guidelines for producers below. He discusses which aspects should be focused on during certain periods of the year, and which are of lesser importance during that time.

January to March: Locally, this is normally the midsummer drought period. It is the make-or-break time for South African crops.

Since over- or under-production is normally determined by marginal production areas, producers should remember to closely track the weather and growth conditions in these regions.

Internationally, this is the time when frantic imports are made by China, and the Chinese demand and world stock levels are the biggest factors driving prices.

April – August: In this period, local producers should take note of exports and yields achieved. They must be very familiar with parity prices to profit from the pricing of the last uncontracted yields.

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TRADER SNAPSHOT

Internationally, planting starts in the northern hemisphere and they announce their plant intentions.

American weather conditions have a significant impact on grain prices. (Currently, dry weather is predicted for America). It is especially true in a year like this year when South Africa trades at export parity. (South Africa's intention is to export 2 million ton).

During this period the South American harvest normally reached maturity. South America is becoming an increasingly bigger force to reckon with and now more than ever, producers should keep a close eye on this region, especially during this time of year. (It is currently dry in South America and crops are not looking particularly good).

September– December: This is plant time in South Africa. It is our turn during this period to enter the volatile markets and to indicate plant intentions. During this time weather conditions should be closely monitored as it greatly impacts planting conditions that trigger price fluctuations between import and export parities.

Internationally, it is harvest time for the northern hemisphere and the USA. Our producers should look towards the north for fresh price information. (World stock levels are currently very low).

In conclusion

The estimated grain picture that each producer creates for themselves based on the information at their disposal, is very important to hedge successfully.

South Africa is increasingly becoming an international player in the grain market. Once your product has international value, it is important for every grain producer/consumer to create their own global picture.

It is extremely difficult to simultaneously keep an eye on all the factors that might influence prices. A greater focus on the right elements and information sourced from reliable resources at specific times of the year, can make a large difference to enable you to make your own forecasts for the future.

Lastly, producers are always welcome to contact Rand Agri's traders. We always have our finger on the pulse of the latest grain and oilseed market information



TRADER SNAPSHOT CONTINUE



FIELD AGENT OVERVIEW

MPUMALANGA

Producers have already started harvesting soybeans. Rain fell over Bethal, Ermelo, Hendrina, Morgenzon and the Trichardt areas on Tuesday and Wednesday, bringing harvesting to a halt.

The soybean yield in the Standerton and Bethal districts appears very promising, with an expected yield of 2,2 to 3 ton per hectare on short growers. The longer growers suffered mild drought damage due to the low rainfall during March.

“Indications are that the maize yields will be above average and rain at this stage should not make any difference”, says Gerhard Reyneke, field agent, Mpumalanga.

NORTH WEST PROVINCE

“I travelled through the North West Province this past week to do crop estimates. The areas where I have made estimates thus far are: Syferbult, Boons, Derby Koster, Grootpan, Lichtenburg, Gerdau, Biesiesvlei and Mareetsane. The average estimated yield is 6,08 ton per hectare.

I reckon it will still be an average harvest” says Sakkie Koekemoer, field agent, North West Province and Western Free State.

Maize has already been pollinated and is currently drying. The quality of grain in the areas where estimates were done, varies. It ranges from top yields to as much as 1,5 ton per hectare less than the previous season. This is due to drought conditions that prevailed over the last month and a half.

“It was a critical period while the maize was pollinated. Many of the first and also some of the second cobs have pulled back.”





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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