

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

**DATE:** 11 June 2021





## WEATHER

USA weather forecast



## PARITIES

- Yellow maize import and export parities
- Oilseed export parities



## INTERNATIONAL AGRICULTURE

- USA grain conditions
- USA maize progress and conditions
- USA soybean progress and conditions
- June WASDE
- China grain imports
- Brazil & Russia grain production
- India maize exports
- CBOT



## NATIONAL AGRICULTURE

- Maize application
- Namibian slaughter-ready cattle export numbers dwindle
- South African weather



## EXCHANGE RATE

Overview – USD/ZAR



## RAND AGRI SNAPSHOT

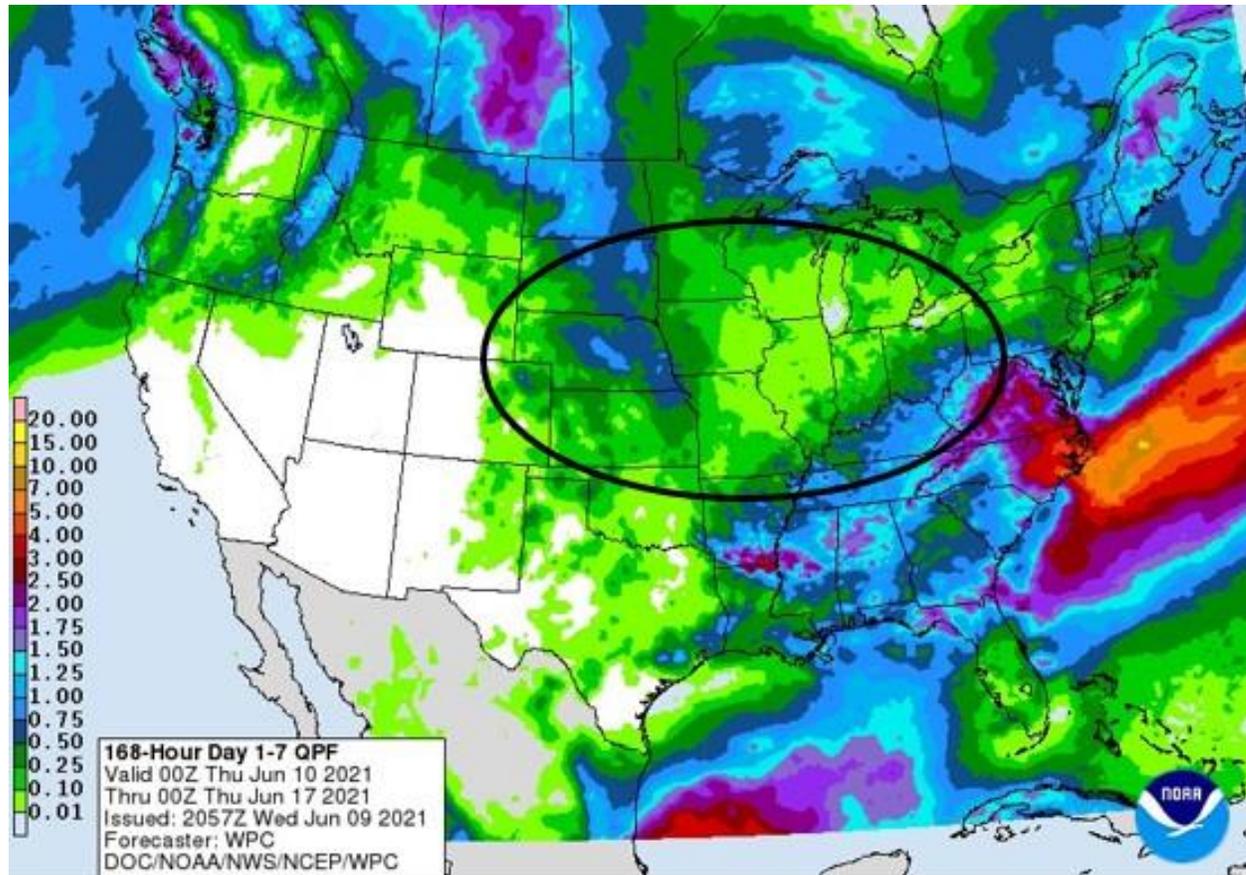
- Trader snapshot: China exports





# INTERNATIONAL WEATHER

## USA WEEKLY WEATHER FORECAST



Approximately 25mm rain is forecast for next week over large sections of the corn belt.

Dangerous flooding occurred this week in parts of Arkansas and Mississippi, leaving parts of towns and farms under water. The US Weather service has warned of a 'high-risk' of flooding and excessive rainfall, highlighting a region south of Memphis as a danger zone. A *high risk is a level five out of five.*

Farmers experienced dangerous flooding in southeast Arkansas on Wednesday, J & M Farms of Dumas among others has thousands of acres of crops under floodwaters.

Here is a short Twitter video of the floods:

<https://twitter.com/i/status/1402627715681947653>

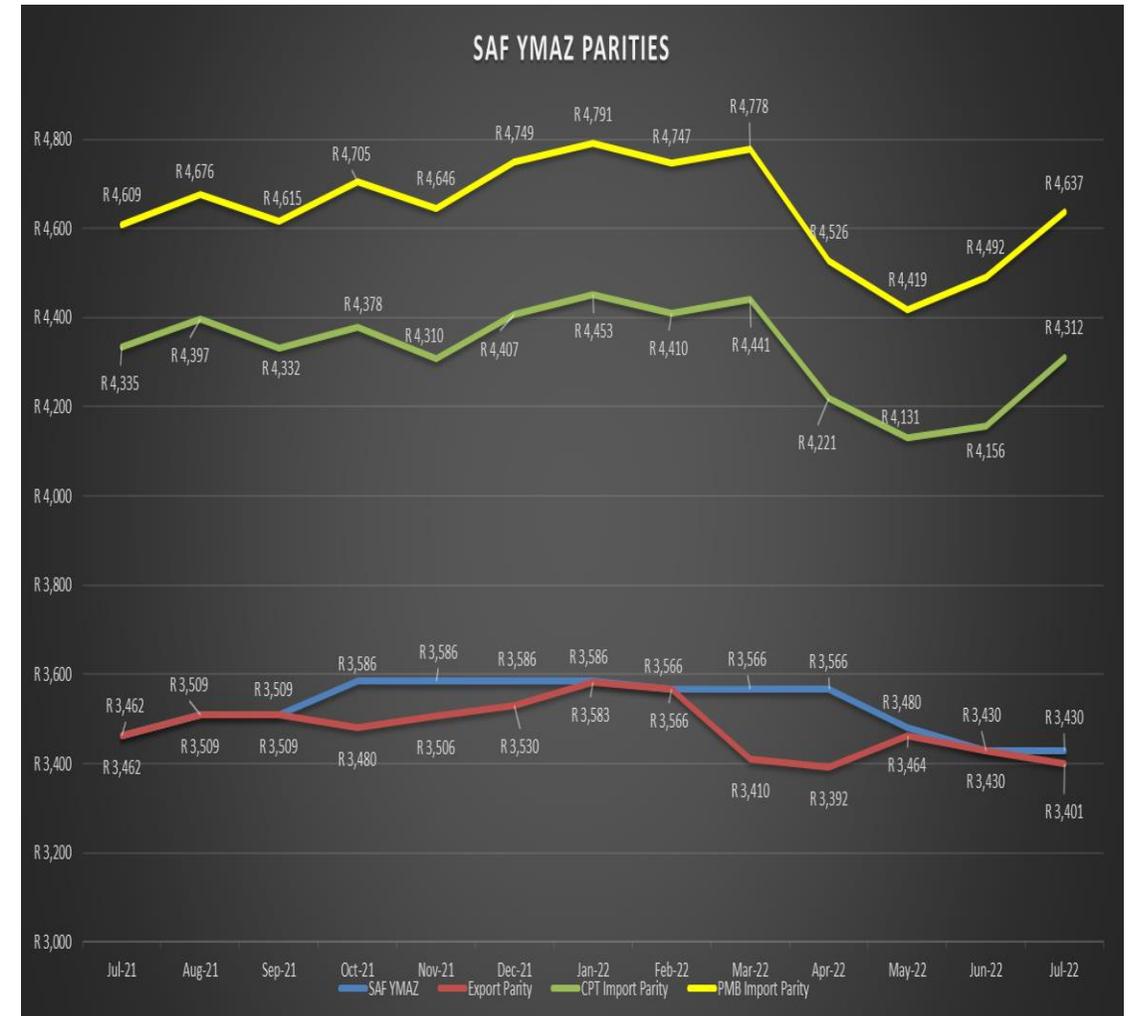


# PARITIES



## YELLOW MAIZE IMPORT & EXPORT

	Jul'21	Sept'21	Dec'21	Mar'22
PMB-import parity	R4 609	R4 615	R4 749	R4 778
CPT-import parity	R4 335	R4 332	R4 407	R4 441
SAFEX-yellow maize	R3 462	R3 509	R3 586	R3 566
DBN-export parity	R 3 462	R3 509	R3 530	R3 410





# OILSEED IMPORT PARITY



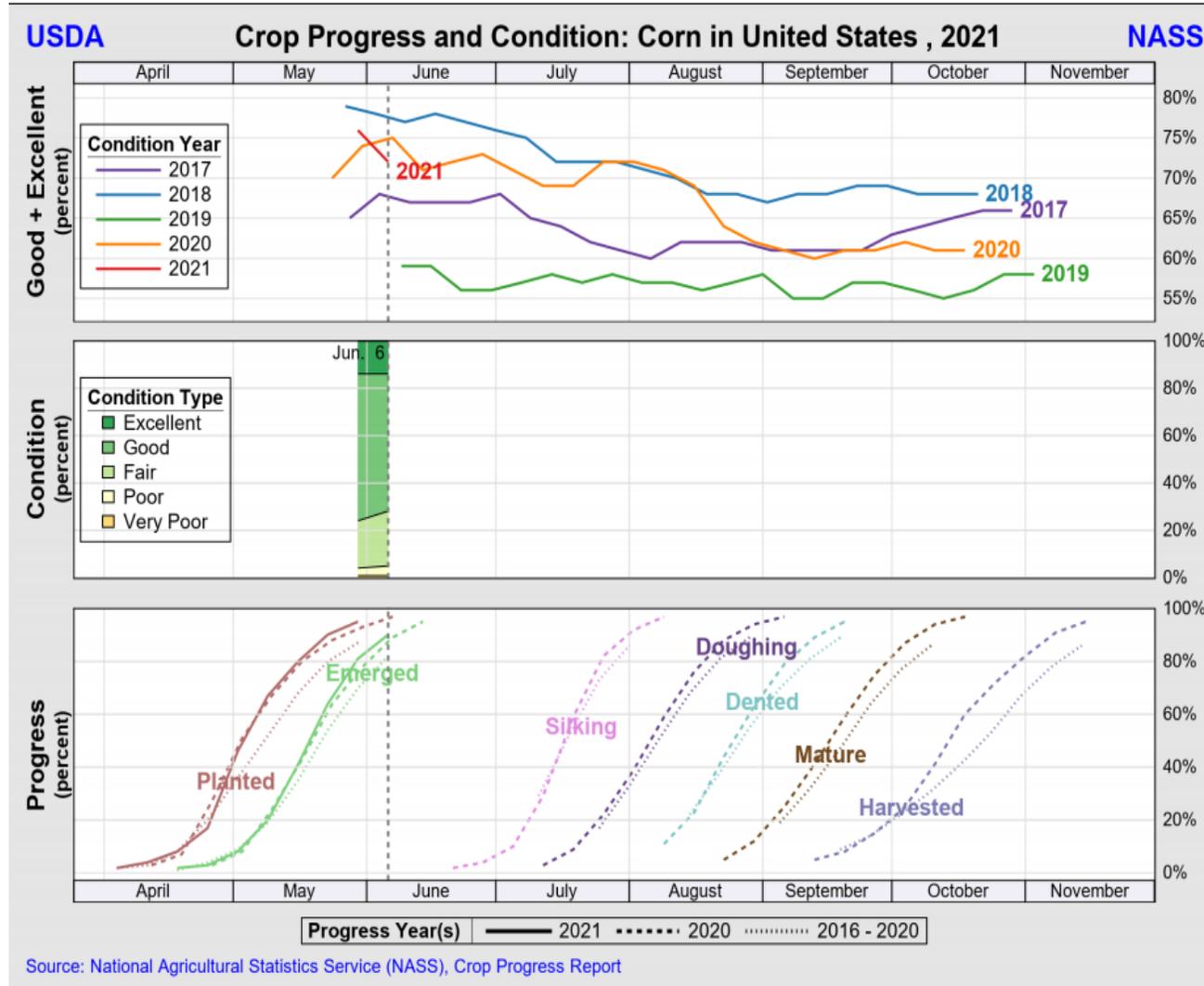
## Oilseed import parity prices (VAT excluded as on 8 June 2021)

ITEM	Nota/ Note	Sojabone/ Soybeans	Sojabone/ Soybeans	Sojabone/ Soybeans	Sonneblom/ Sunflower	Sonneblom/ Sunflower	ITEM
		VSA/ USA Golf/Gulf	Argentynse/ Argentine Up River	Brazilië/ Brazil Paranagua	EU Franse/ French Bordeaux	Swart See / Black Sea	
Internasionale VAB pryse	a	\$/t	\$/t	\$/t	\$/t		International FOB prices
Vraggeld	b	611.00	560.00	575.00	662.00	735.00	Freight Rates
Assuransie (0.3% van VAB)		44.00	42.00	34.00	40.00	49.00	Insurance (0.3% of FOB)
1 KOSTE, ASSURANSIE EN VRAG (KAV) \$/T		1.83	1.68	1.73	1.99	2.21	1 COST, INSURANCE AND FREIGHT (CIF) \$/T
Omskakel na R/t		656.83	603.68	610.73	703.99	786.21	Converted to R/t
R/\$ Wisselkoers op: 2021/06/08	c	13.5994	13.5994	13.5994	13.5994	13.5994	R/\$ Exchange rate on: 2021/06/08
2 KOSTE, ASSURANSIE EN VRAG (KAV) R/t		R/t	R/t	R/t	R/t		2 COST, INSURANCE AND FREIGHT (CIF) R/t
Finansieringskoste	d	8932.49	8209.69	8305.56	9573.84	10691.98	Financing cost
3 KOSTE, ASSURANSIE, VRAG EN FINANSIERING R/t		51.39	47.23	47.79	55.08	61.52	3 COST, INSURANCE, FREIGHT AND FINANCING R/t
Aflaaikoste: Durban	e, f	8983.88	8256.92	8353.35	9628.92	10753.50	Discharging cost: Durban
Invoertarif:	g	202.93	202.93	202.93	202.93	202.93	Import Tariff:
4 VRY OP SPOOR (VOS) R/t: Durban		664.74	609.25	625.57	0.00	0.00	4 FREE ON RAIL (FOR) R/t: Durban
Spoorvragkoste	h	9851.55	9069.10	9181.85	9831.85	10956.43	Railage cost
- Durban na Randfontein		517.52	517.52	517.52	517.52	517.52	- Durban to Randfontein
5 GELEWER:							5 DELIVERED:
- Durban na Randfontein R/ton		10369.07	9586.62	9699.37	10349.37	11473.95	- Durban to Randfontein R/ton



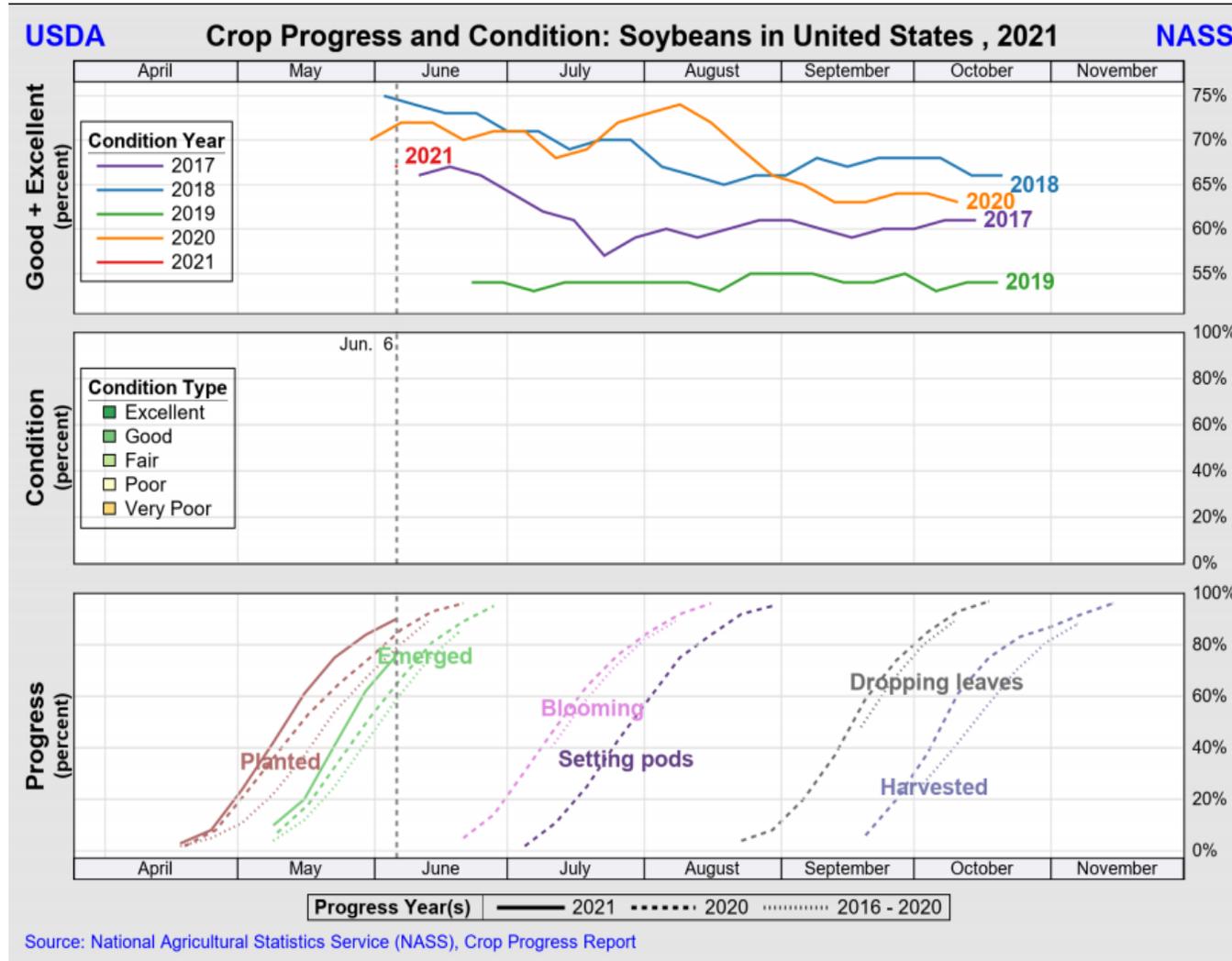


# USA MAIZE PROGRESS AND CONDITION





# USA SOYBEAN PROGRESS AND CONDITION





# INTERNATIONAL AGRICULTURE

## JUNE WASDE

- U.S. corn ending stocks were lower than expected because of higher ethanol production requirements and exports.
- U.S. soybean ending stock is higher than expected with less soybeans expected to be crushed for soybean-oil and soybean-meal.
- Brazil's corn crop decreased by 3,5 million tons due to the current drought.

**USA Ending Stock (billions of bushels)**

	June 2020/21	Trade Expectations	May 2020/21	June 2021/22	Trade Expectations	May 2020/21
Corn	1.107	1.207	1.257	1.357	1.423	1.507
Soybeans	0.135	0.122	0.120	0.155	0.146	0.140
Wheat	0.852	0.869	0.872	0.770	0.783	0.774

**World Ending Stock (millions of tons)**

	June 2020/21	Trade Expectations	May 2020/21	June 2021/22	Trade Expectations	May 2020/21
Corn	280.6	280.82	283.53	289.41	289.2	292.3
Soybeans	88	87.14	86.55	92.55	91.22	91.1
Wheat	293.48	294.41	294.67	296.8	294.49	294.96

	Brazil		Argentina	
	Corn	Soybeans	Corn	Soybeans
June 2020/21	98.5	137	47	47
Trade Expectations	97.32	136.16	47.04	46.61
May 2020/21	102	136	47	47
2019/20	102	128.5	51	48.8



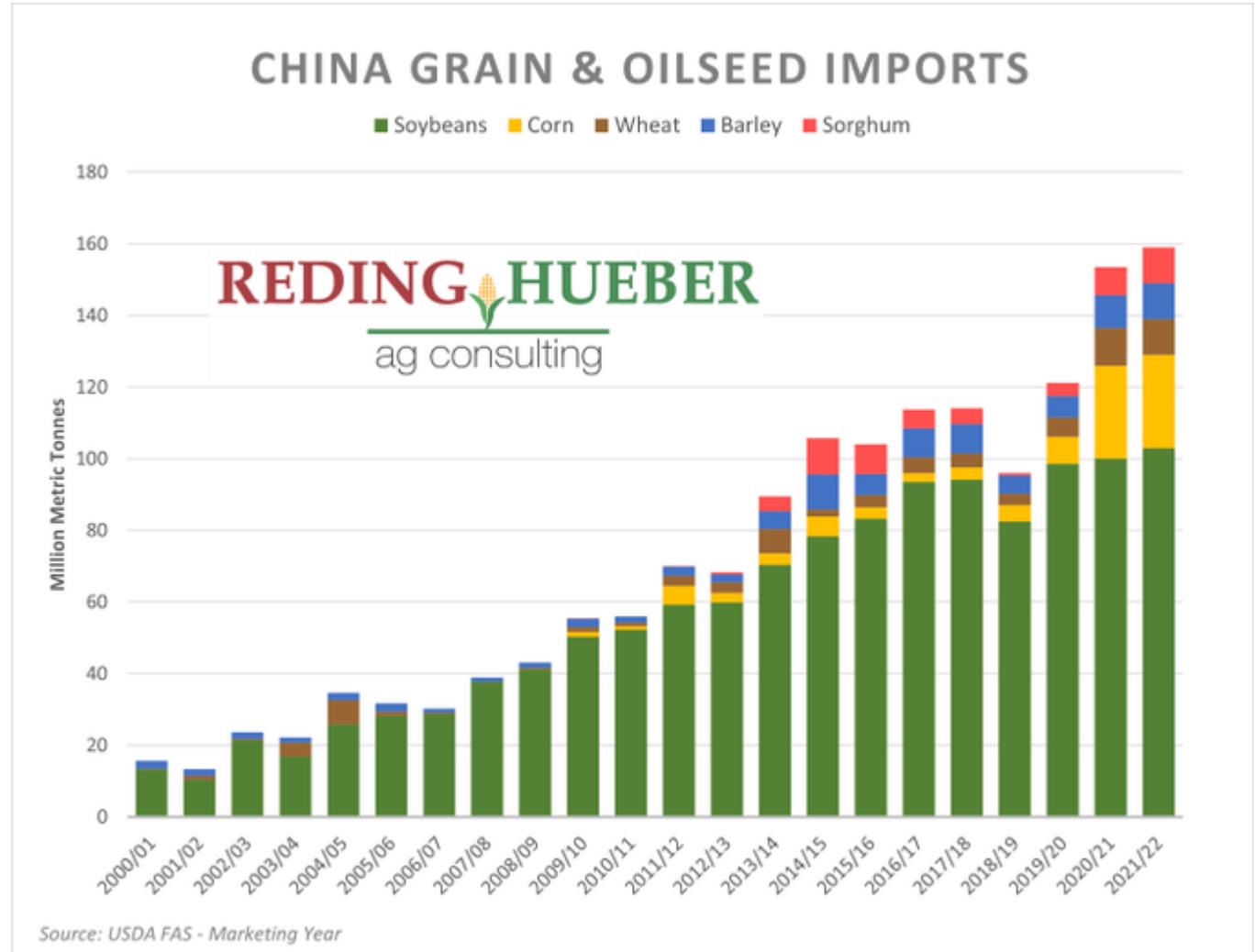
# INTERNATIONAL AGRICULTURE

## CHINA

Until recently, China planted most of its corn supplies itself, however, this has changed with China currently being the worlds largest corn importer.

Domestic soybean production in China is small, accounting for less than 5% of total world production. As a result, they rely heavily on imports, which account for 60% of the total annual world imports.

China has always been a major soybean user and currently uses one in every three bushels of soybeans annually produced in the world.





# INTERNATIONAL AGRICULTURE

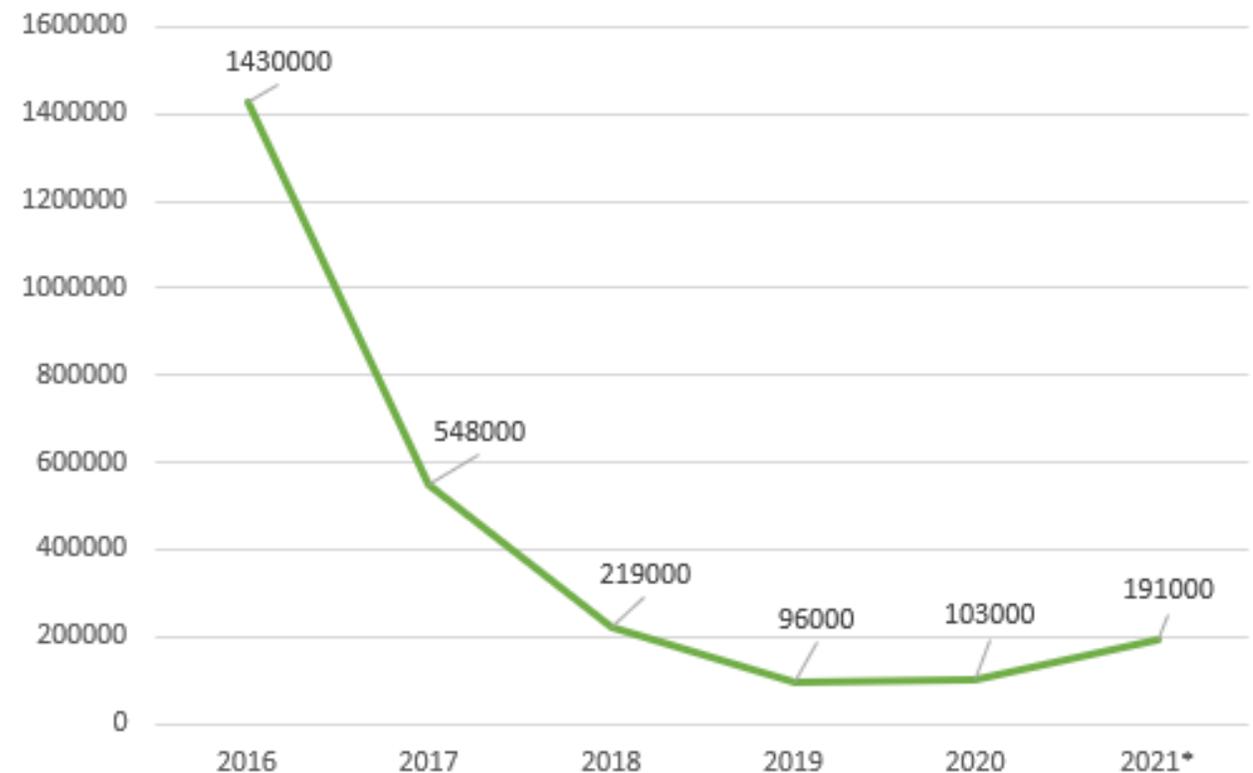
## BRAZIL

From January to the end of April, Brazil imported 758,000 tons of corn, almost 70% higher than in the previous year. It was mostly bought from Paraguay and sent by truck across the border.

Brazil is expected to import 191,000 tons maize from Argentina in June, almost double the 103,000 tons purchased last year, according to the Ministry of Agriculture.

Imports are expected to continue throughout the year, even though the second and largest corn crop in Brazil will be harvested in the next 3 months.

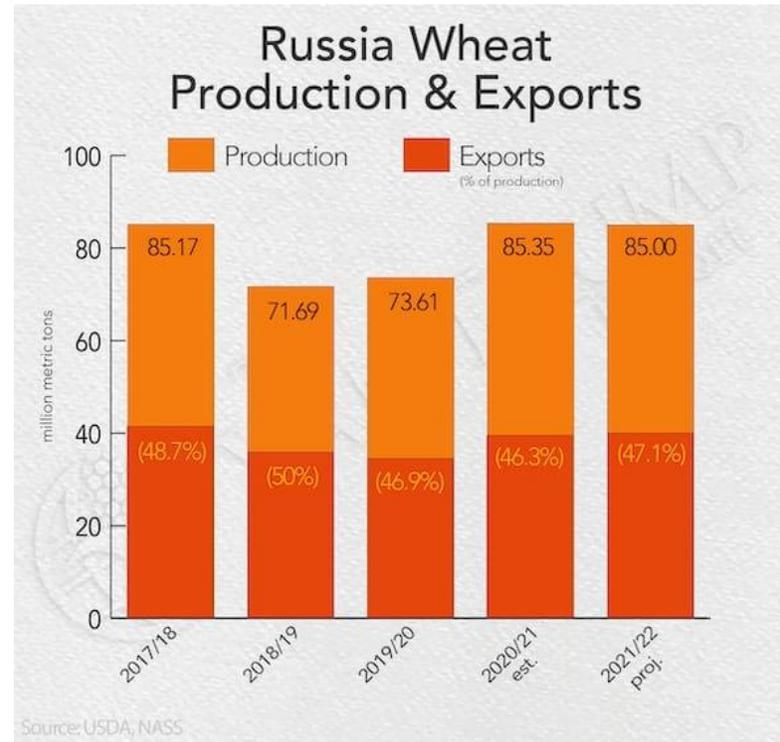
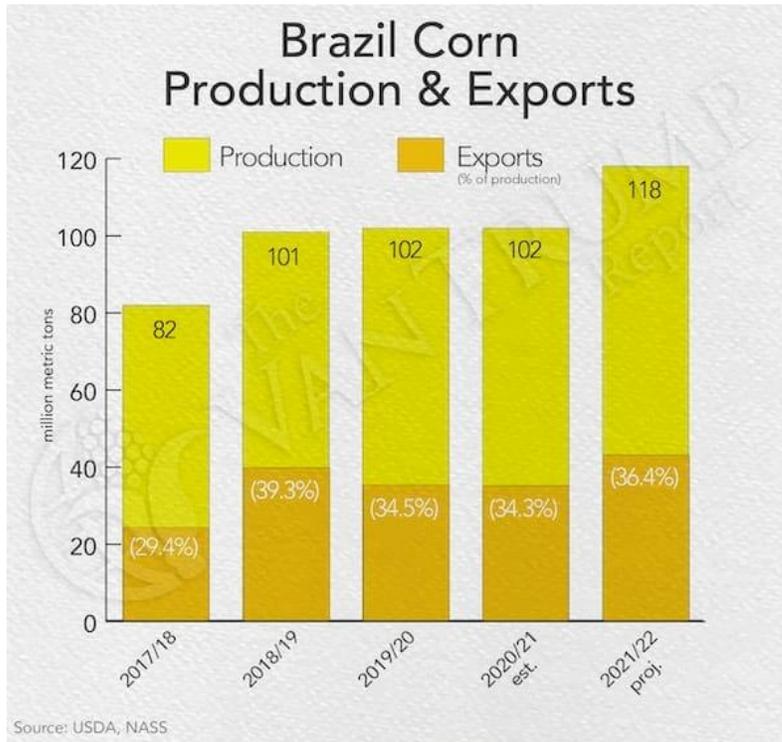
Corn Imports from Argentina (TONS)





# INTERNATIONAL AGRICULTURE

## PRODUCTION AND EXPORT OF GRAIN – BRAZIL AND RUSSIA



### Production and export of grain

Kazakhstan is expected to maintain high wheat imports from Russia in the 2021/22 marketing year despite harvesting a sizeable domestic crop.

Given yield concerns due to smaller stock and an anticipated hot summer, the Global Agricultural Information Network (GAIN) reported the production forecast as 13,2 million ton.

Russian wheat export prices are steady due to a stronger Russian rouble, which was supported by higher oil prices.



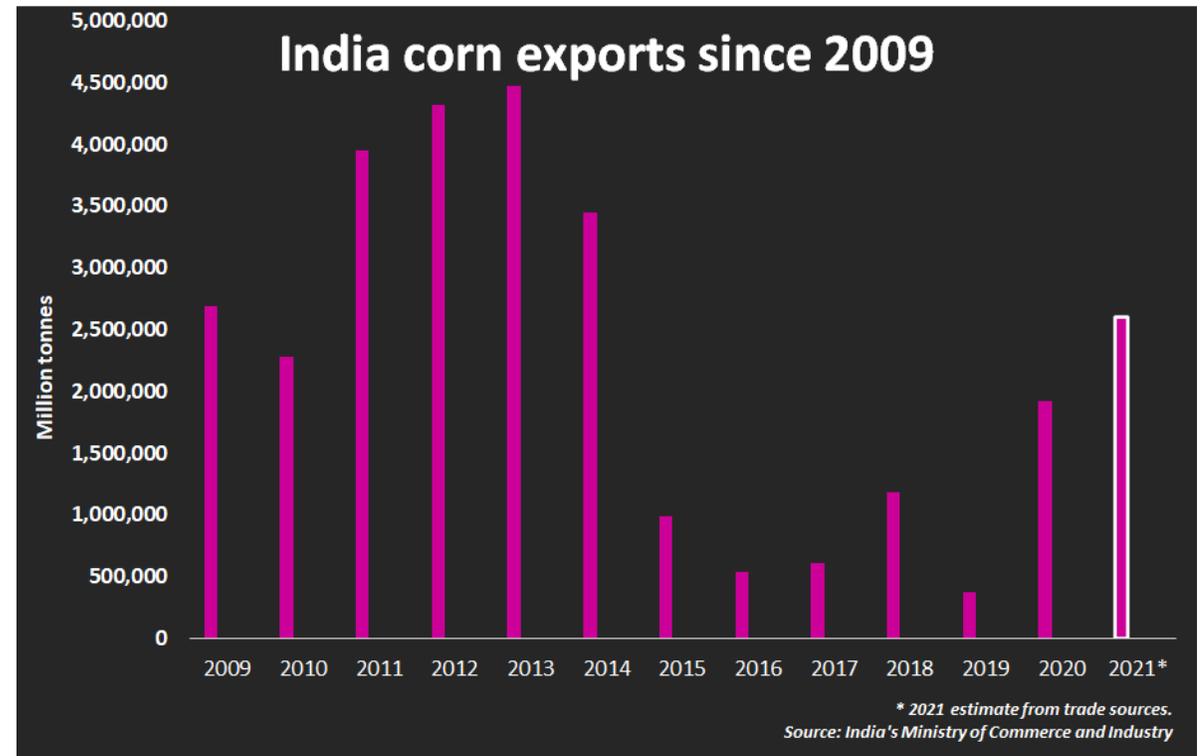
# INTERNATIONAL AGRICULTURE

## INDIA CORN EXPORTS

Indian exporters have signed contracts to sell about 400,000 tons of corn for shipment in June and July to Vietnam, Malaysia, Sri Lanka and Bangladesh.

India's exports are expected to reach around 2.6 million tonnes in 2021, the highest in seven years, according to traders and analysts.

Farmers are likely to reduce the area of maize planted this year because soybeans and legumes produce better yields. If this happens, the surplus corn for exports will be limited.





# CBOT-CORN



## CBOT-CORN JULY

The overall market trend for corn is still up, although the market has been seesawing up and down the past few days.





# CBOT-SOYBEANS

## CBOT-SOYBEANS JULY

- The market for soybeans consolidated the past 4-5 days.
- Technical indicators are consolidating near zero.



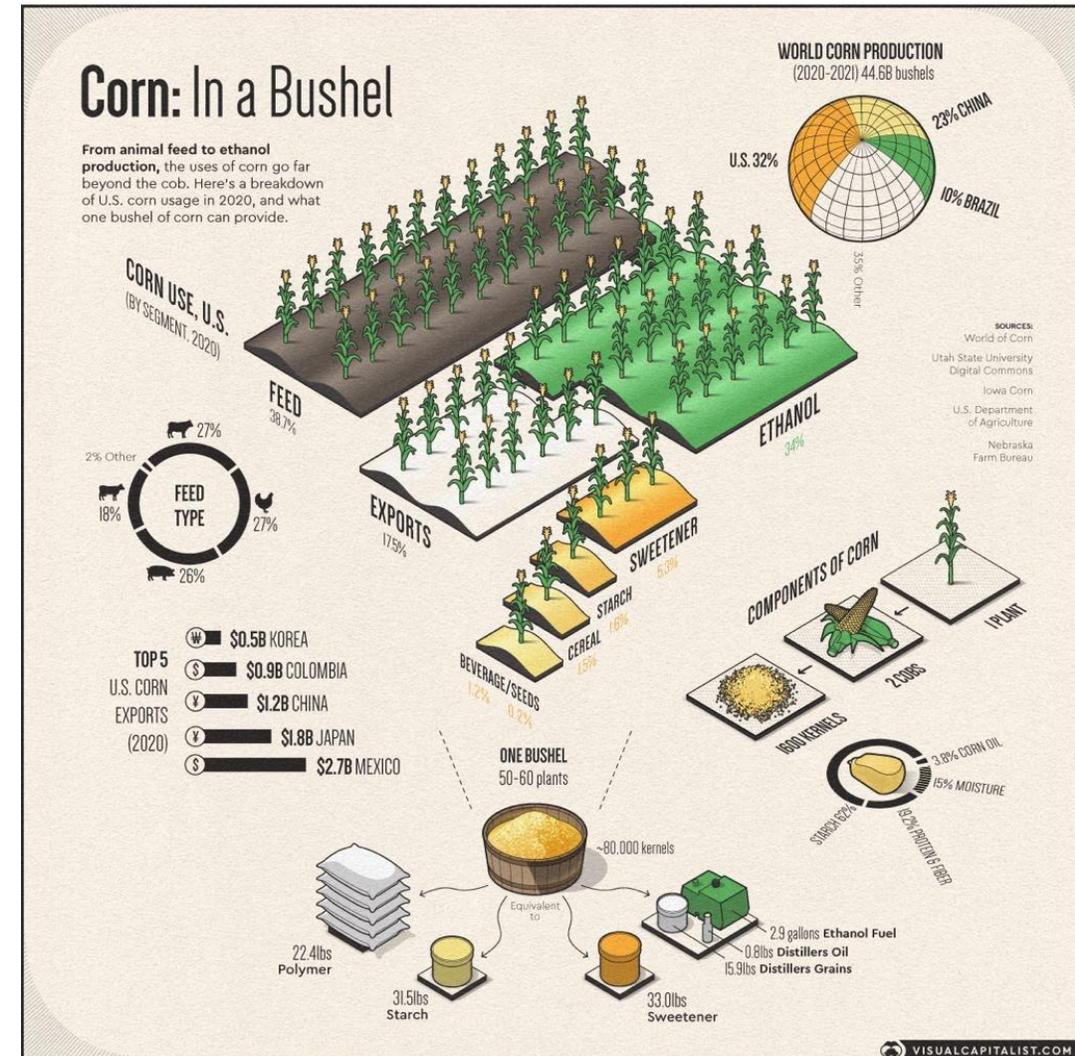


# MAIZE APPLICATION

The bulk of maize produced today is not used for food production.

## A few applications of maize include:

- **Plastic:** Plastics aren't entirely made up of synthetic substances. Maize-based plastics use up to 68% less fossil fuels in production and reduce the environmental impact of plastics.
- **Ethanol and bioelectricity:** Currently, maize ethanol is mainly used in blends with petrol. Some batteries contain maize derivatives found in bioelectricity. Starch is often used in batteries as an electrical conductor.
- **Maize (corn) starch:** Starch is a common ingredient used in the production of match sticks, medication, glue and other adhesives, candy.





# NAMIBIA

## CATTLE NUMBERS DWINDLE AS FARMERS RESTOCK

Namibian farmers started to restock herds after three years of drought that led to a huge loss of livestock due to limited or depleted pastures. While farmers are rebuilding their herds, fewer animals are available for marketing either on the hoof or for direct slaughter.

*A recent report by the Meat Corporation of Namibia (Meatco) for April 2021 stated that export abattoirs like Meatco slaughtered 2 530 animals, Beefcor 1 267 and Hartlief Namibia 202, while the Zambezi Meat Corporation (ZAMCO)-operated abattoir did not manage to slaughter a single animal during that month. This translated to an accrued total slaughtering at export abattoirs for the period of 3 999 animals while the total number of animals slaughtered in the country was 5 144.*

The current herd-building efforts of Namibian farmers led to a 34,03% decline in cattle marketing year-to-date, also impacting beef prices, which reached a high of N\$55,46/kg

Predictions are that it will remain a challenge during 2021 to get slaughter-ready cattle at realistic market prices.

Read more: <https://allafrica.com/stories/202106080699.html>



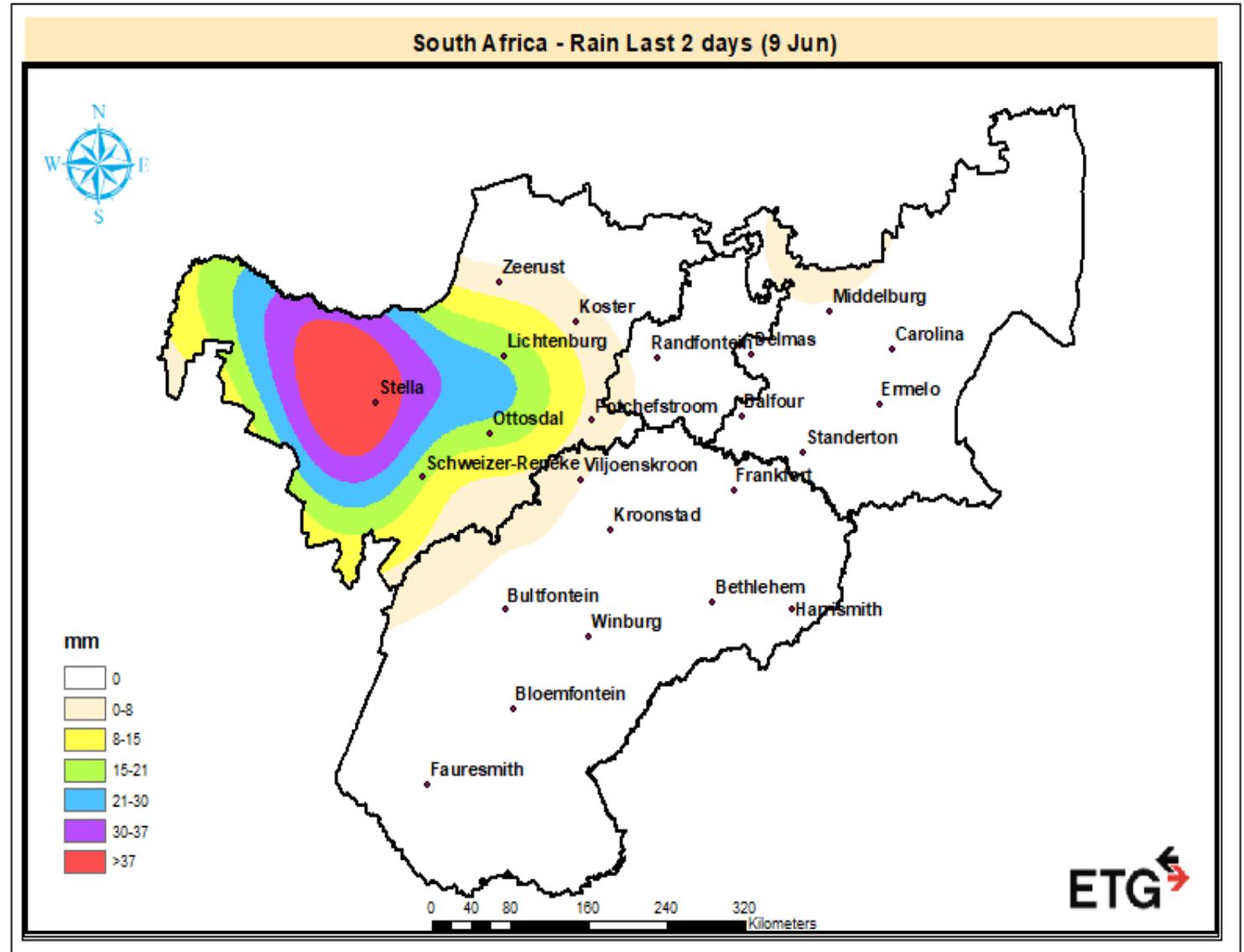
# NATIONAL AGRICULTURE

## SOUTH AFRICAN WEATHER

Rain fell over most parts of North West Province over the past two days.

Gerdau, Sannieshof, Mareetsane, Lichtenburg, Koster, Derby and Ventersdorp received between 20 to 30mm of rain on Wednesday 9 June.

This will delay the harvest by almost four to five days, expect if the province receives a spot of sunny weather within the next few days.





# EXCHANGE RATE

## USD/ZAR



The USD / ZAR rose to R13,70 from the year-to-date low of R13,40. The market has been in a very strong decline for a while. On the long-term chart, it is clear that a significant amount of downward pressure continues, despite the fact that the USD/ZAR has risen over the past 48 hours.

The USD/ZAR reacted earlier this week to the relatively strong South African GDP data. According to Statistics SA, the economy advanced by 1.1% in the first quarter, even as the country continued with the new coronavirus wave. The USD/ZAR is currently awaiting the latest announcement on the US Consumer Price Index.

Published on Investing.com, 10/Jun/2021 - 11:40:43 GMT, Powered by TradingView.

USD/ZAR, D

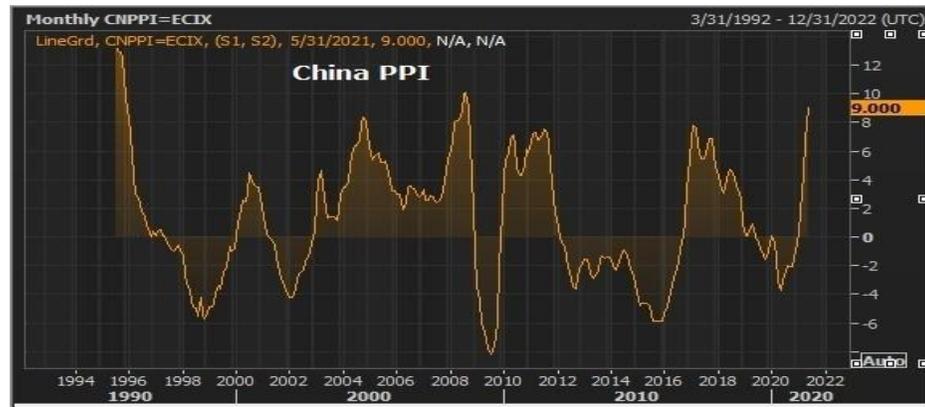




## INCREASES IN PRODUCT PRICES FROM CHINA

According to data released on Wednesday, China's producer price index (PPI), a measure of production cost, rose 9%, the fastest in 13 years.

The continued increase in prices drastically impact producers' costs. With increasing wages and freight prices, producers can expect to pay three times more for the final product shipped to South Africa compared to a year ago.



# 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*



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