

WEEKLY
FOOD-FOR
THOUGHT

DATE: 18 June 2021





WEATHER

USA weather forecast



PARITIES

Import and export parities for yellow maize



INTERNATIONAL AGRICULTURE

- North American plant progress
- China maize imports
- World grain exports
- CBOT: maize and soybeans



NATIONAL AGRICULTURE

South Africa's 2021 agricultural exports are expected to exceed 2020 export figures



EXCHANGE RATE

Overview – USD/ZAR



RAND AGRI SNAPSHOT

Field report: South African harvest progress

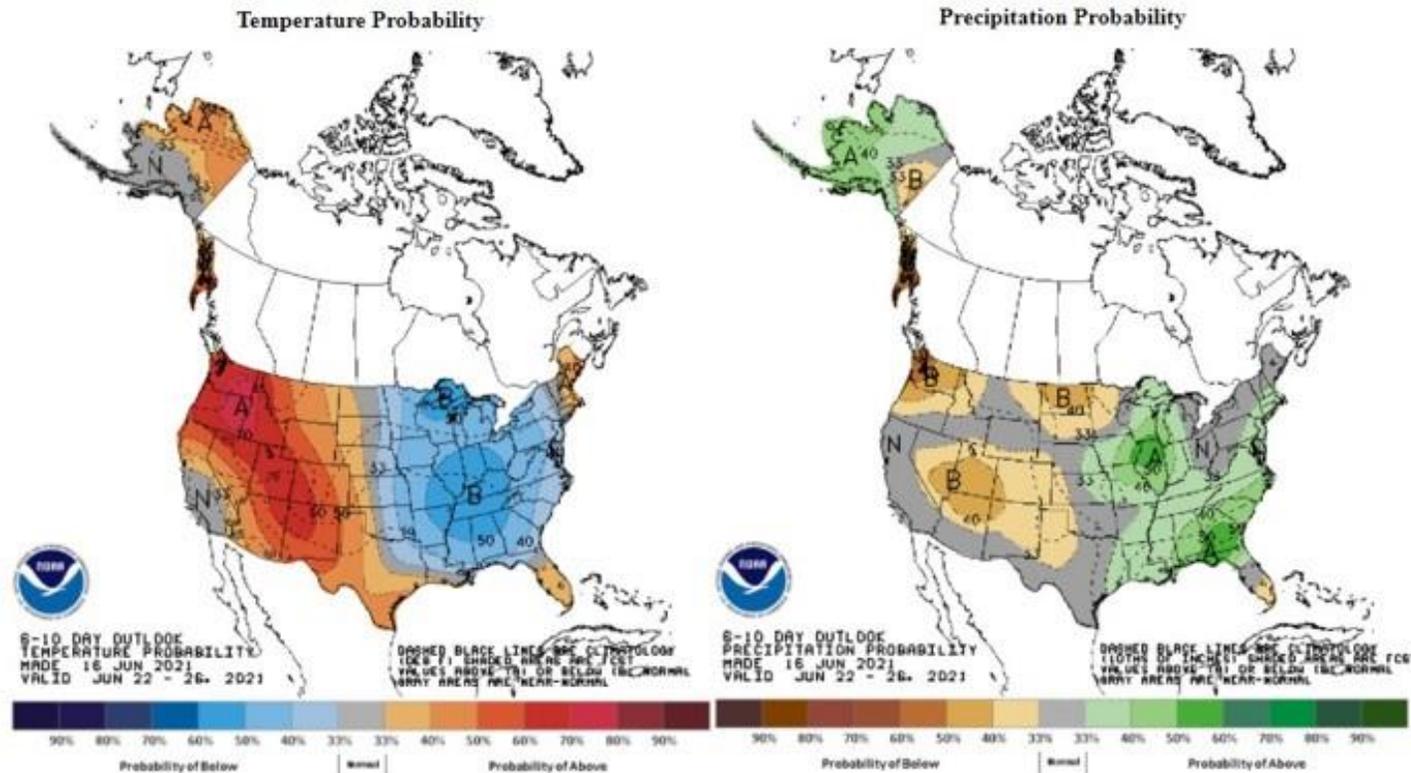




INTERNATIONAL WEATHER

USA WEEKLY FORECAST:

The weather forecast for next week predicts above normal rainfall over most parts of the corn belt, with expected cooler temperatures that will bring great relief for crop progress.

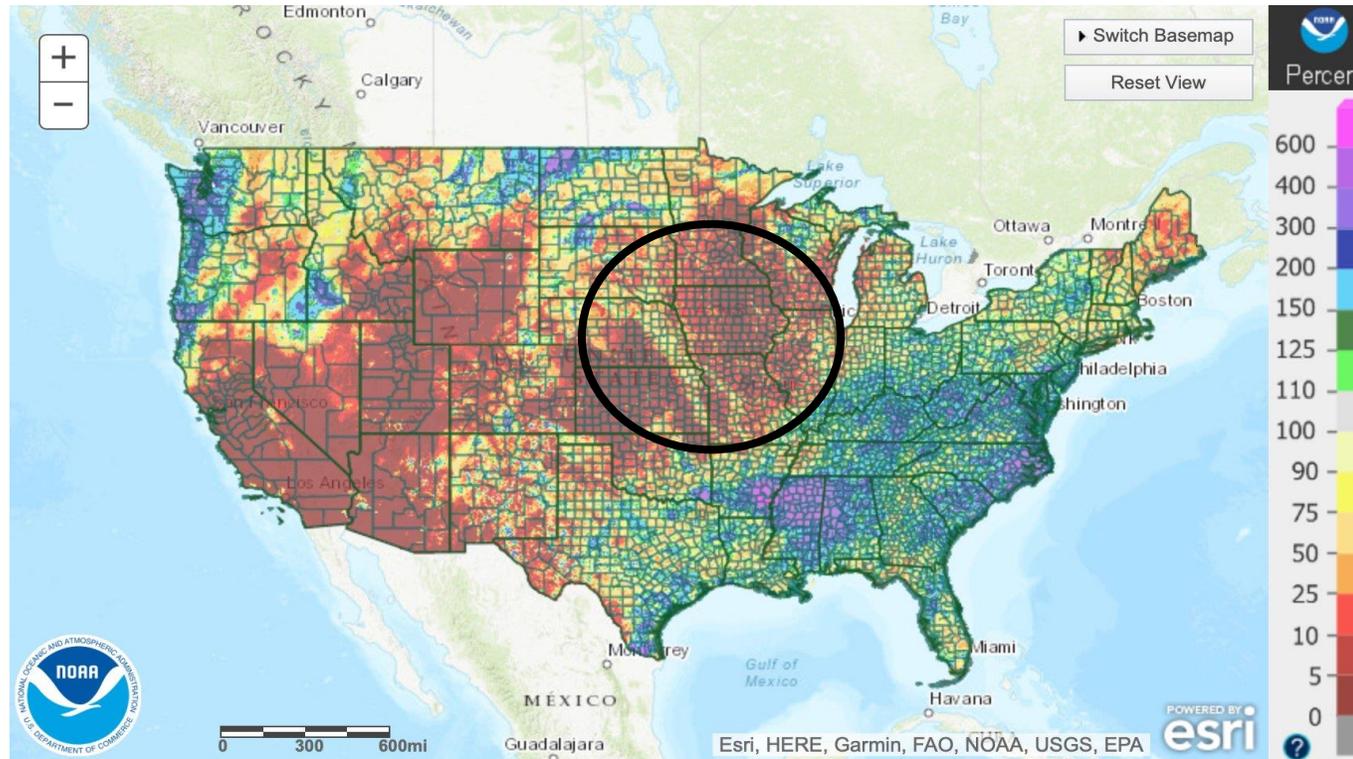




INTERNATIONAL WEATHER

USA HEATWAVE

Large parts of the western corn belt received a lot less rain than normal the past two weeks, with high temperatures measuring up to 41 °C (104 °F) due to the heatwave.



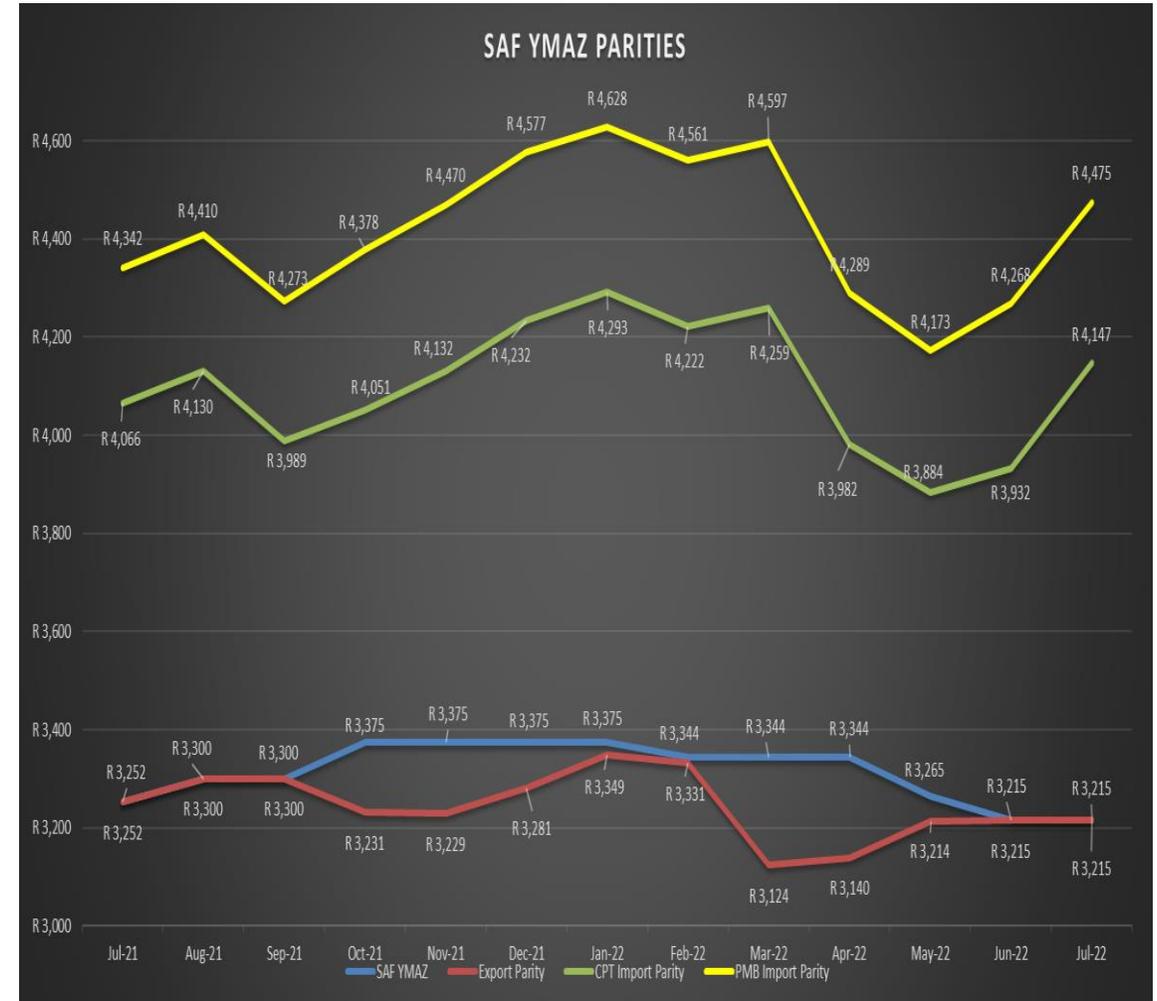


PARITIES



YELLOW MAIZE IMPORT & EXPORT

	Jul'21	Sept'21	Dec'21	Mar'22
PMB-import parity	R4 342	R4 273	R4 577	R4 597
CPT-import parity	R4 066	R3 989	R4 232	R4 259
SAFEX-yellow maize	R3 252	R3 300	R3 375	R3 344
DBN-export parity	R3 252	R3 300	R3 281	R3 124



AGRICULTURE

USA

Corn:

Corn conditions were rated 68% good/excellent, compared to 72% last week and 71% last year.

Soybeans:

94% soybeans were planted as of 13 June, compared to the 5-year average of 88% and 92% last year.

Soybean conditions were rated 62% good/excellent, compared to 72% last week and 71% last year.

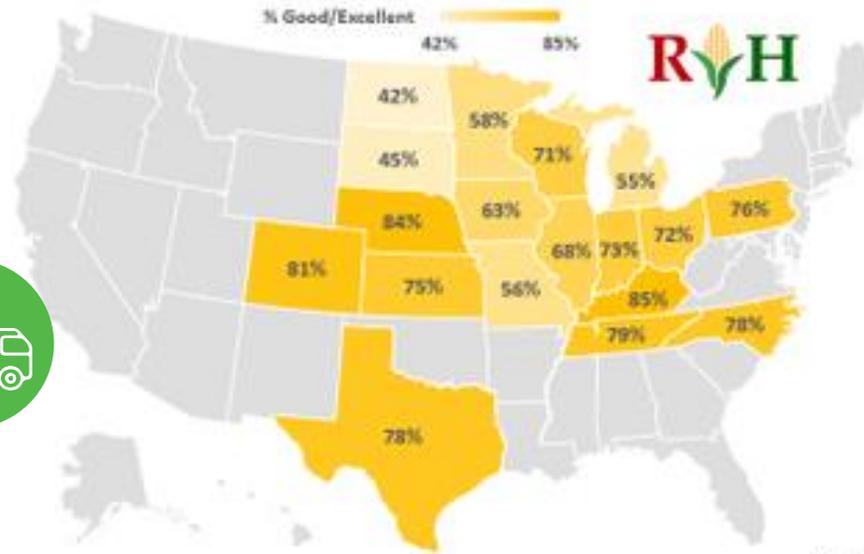
Wheat:

Spring wheat conditions were rated 37% good/excellent, compared to 81% last year.

Winter wheat conditions were rated 48% good/excellent, compared to 50% last year. 4% winter wheat was harvested to date.



CORN CONDITIONS - AS OF 06/13/2021

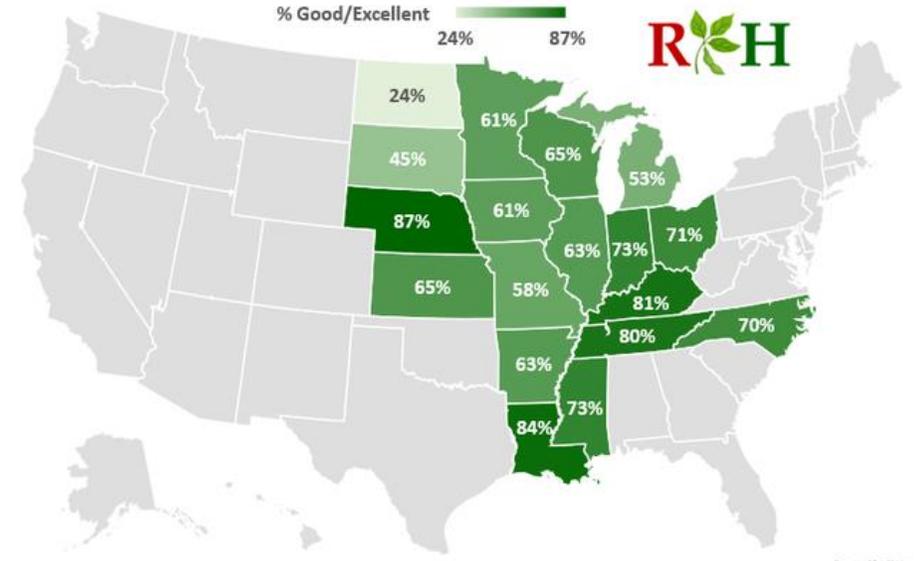


U.S. Aggregate	68%
Last Week	72%
Last Year	71%
Average	70%

Source: NASS



SOYBEAN CONDITIONS - AS OF 06/13/2021



U.S. TOTAL	62%
Last Week	67%
Last Year	72%
Average	71%

Source: NASS





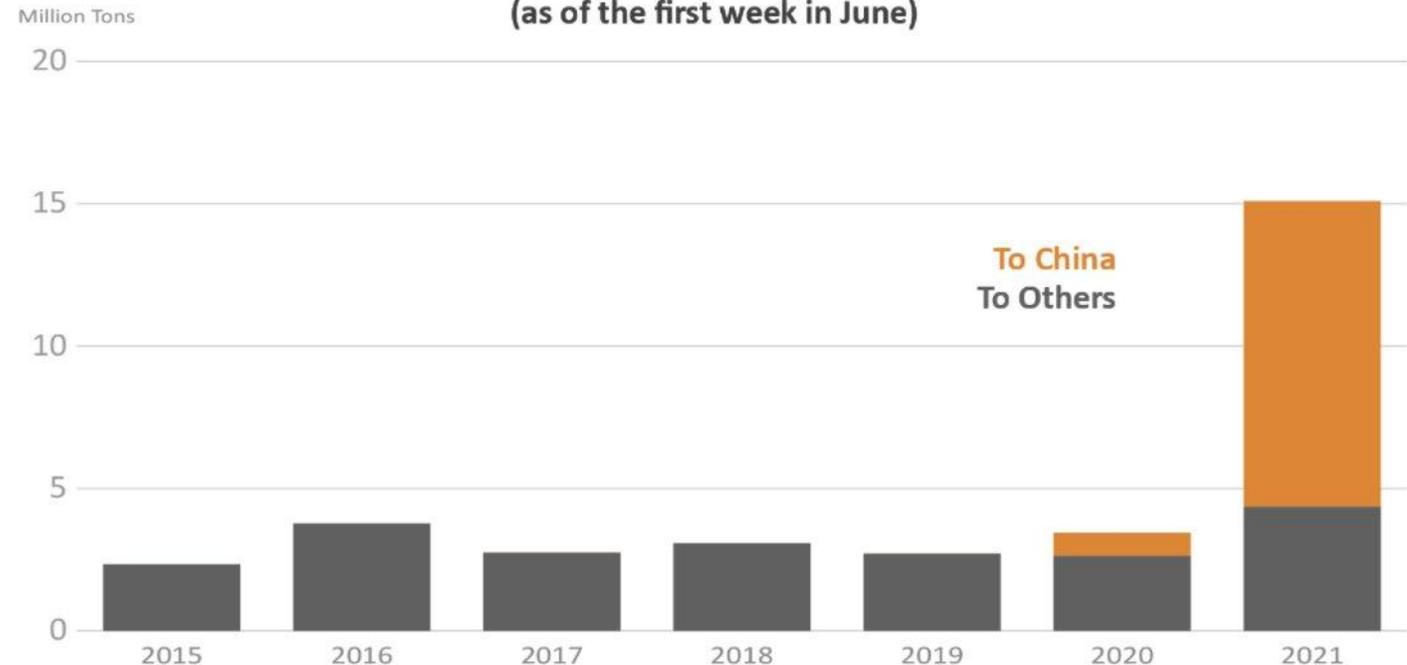
INTERNATIONAL AGRICULTURE

CHINA

Corn export sales for the 2021-22 marketing year (starting in September 2021) are already three times more than last year's.

China accounts for more than 66% of these purchases with just over 11 million tons.

**U.S. New Crop Corn Sales for Delivery
Starting in September 2021
(as of the first week in June)**



Source: USDA-Foreign Agricultural Service, Export Sales Reporting



INTERNATIONAL AGRICULTURE

WORLD GRAIN EXPORT EXPECTATIONS FOR 2021/22

WHEAT

SHARE OF GLOBAL EXPORTS



	2020/21 199.1 MMT	2021/22 203.2 MMT
RUSSIA	19.3% 38.5 MMT	19.7% 40.0 MMT
EU	15.0% 30.0 MMT	16.2% 33.0 MMT
CANADA	13.8% 27.5 MMT	11.6% 23.5 MMT
UNITED STATES	13.5% 26.8 MMT	12.1% 24.5 MMT
AUSTRALIA	11.0% 22.0 MMT	9.8% 20.0 MMT
UKRAINE	8.5% 17.0 MMT	9.8% 20.0 MMT

SOURCE: USDA PSD JUNE 2021

CORN

SHARE OF GLOBAL EXPORTS



	2020/21 187.0 MMT	2021/22 197.5 MMT
UNITED STATES	38.7% 72,393 MMT	31.5% 62,233 MMT
ARGENTINA	18.2% 34,000 MMT	18.2% 36,000 MMT
BRAZIL	17.6% 33,000 MMT	21.8% 43,000 MMT
UKRAINE	12.3% 23,000 MMT	15.4% 30,500 MMT
RUSSIA	1.7% 3,100 MMT	2.1% 4,100 MMT
SOUTH AFRICA	1.7% 3,200 MMT	1.6% 3,200 MMT

SOURCE: USDA PSD JUNE 2021

SOYBEANS

SHARE OF GLOBAL EXPORTS



	2020/21 171.4 MMT	2021/22 172.9 MMT
BRAZIL	50.2% 86.0 MMT	53.8% 93.0 MMT
UNITED STATES	36.2% 62.1 MMT	32.7% 56.5 MMT
PARAGUAY	3.9% 6.6 MMT	3.8% 6.5 MMT
ARGENTINA	3.7% 6.4 MMT	3.7% 6.4 MMT

SOURCE: USDA PSD JUNE 2021



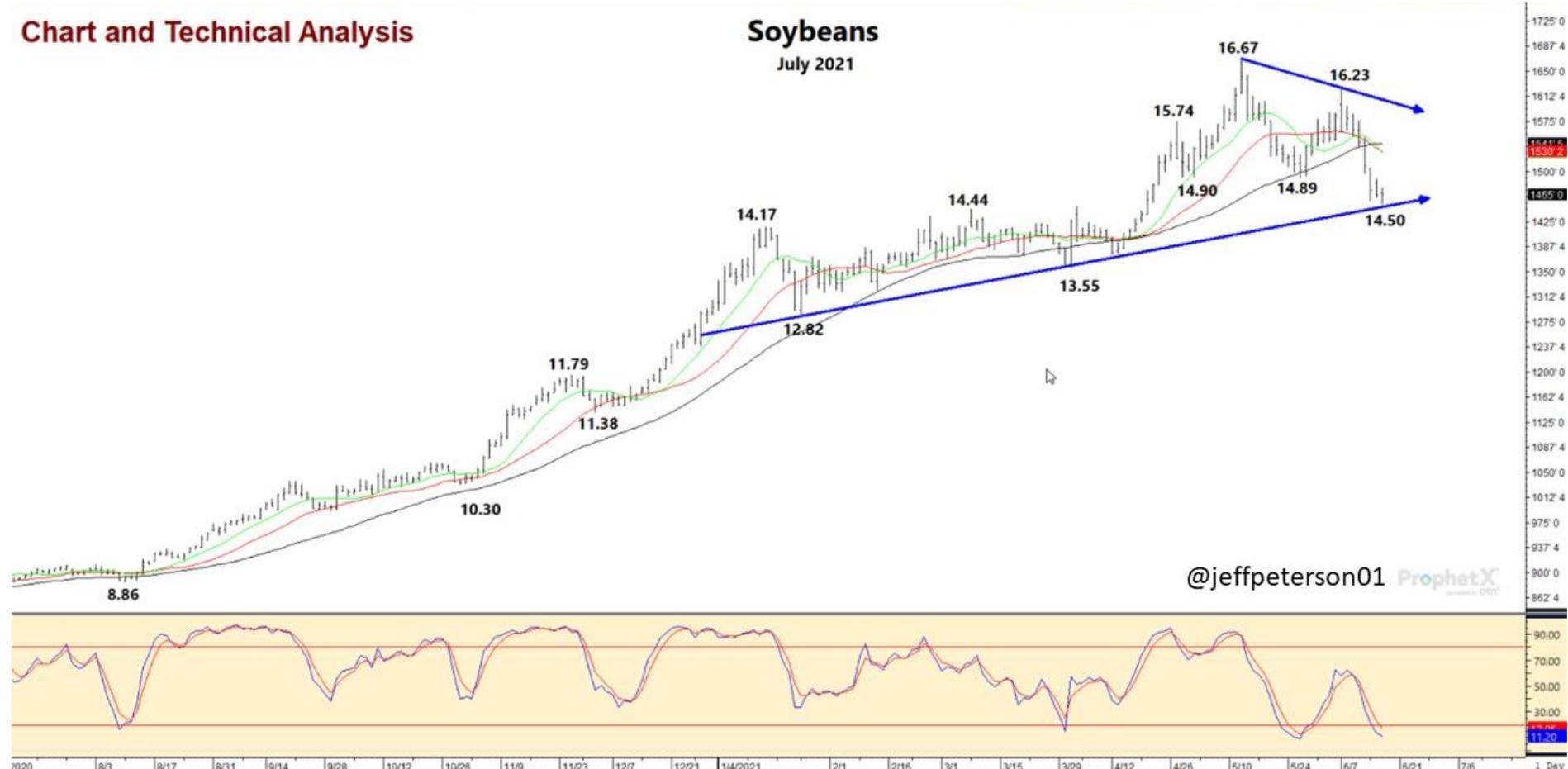
CBOT-SOYBEANS



CBOT-SOYBEANS JULY

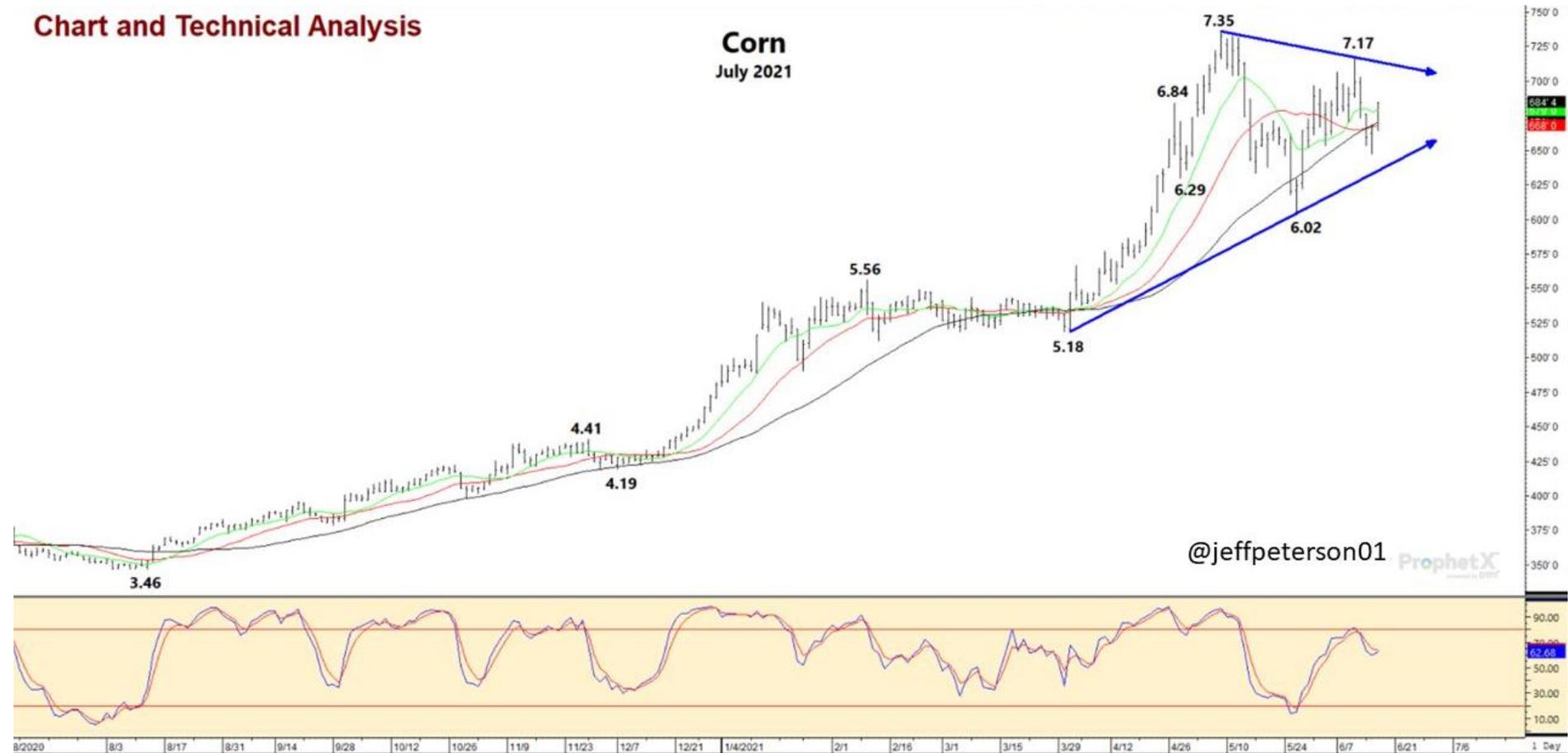
Soybeans have broken through the 40-day moving average again, but the long-term trend is still upward.

Chart and Technical Analysis



CBOT-CORN JULY

- The corn long-term market trend remains upward, but the interim trend is sideways.
- The short-term trend has turned downwards.



LOCAL AGRICULTURE

South Africa's 2021 agricultural exports are expected to exceed 2020 export figures



South-Africa agriculture exports could exceed 2020's R140 billion mark, as a result of expected large production volumes of various field crops, fruits, the wine industry as well as a sound output in the wool industry, according to the Agriculture Business Chamber (Agbiz). The year started on a positive note due to favourable rainfall supporting crop yields and grazing for the livestock industry.

Wandile Sihlobo, chief economist Agbiz said the country's agricultural imports increased marginally by 4 percent year-on-year to \$1,6 billion in the first quarter of the year. The top imported products were the usual ones for domestic consumption. These include wheat, rice, palm oil, soybean oilcake/meal, beer from malt, poultry products, live cattle, and whiskies. Agbiz believes rice, wheat, and palm will dominate this year's agricultural import product list.

South Africa's 2020/21 wheat imports were forecast at 1,58 million tons, down 16 percent year-on-year. Sihlobo says that the chamber expects a notable decline in soybean meal imports due to South Africa's soybean record harvest in 2020/21. The International Grain Council forecasts South Africa's 2021 rice imports at 1,1 million tons, a 5 percent increase from the previous year. In the first quarter of this year, the top exportable products included fresh grapes groundnut oil, maize, wine, greasy wool, fresh plums, fresh pears, fresh apples, and maize meal. Agbiz expects these products to dominate the export list throughout the year, as production promises to exceed last year's levels.

Wine exports are expected to increase this year, due to the forecast of a possible 9% larger wine grape crop than that of 2020. The Citrus Grower's Association also recently projected that the South African citrus industry will most probably break all previous season records with an estimated 159 million cartons in 2021, from 146 million cartons in 2020.

South Africa could have 2,8 million tons of maize surplus available for export markets in the 2021/22 marketing year, most probably the largest volume since 1994/ 95 when South Africa exported 4,7 million tons.

Read more: <https://www.iol.co.za/business-report/economy/bumper-agricultural-exports-could-exceed-last-years-r140bn-mark-fea9031c-aec8-4d40-8209-1ac432238330>



EXCHANGE RATE

USD/ZAR



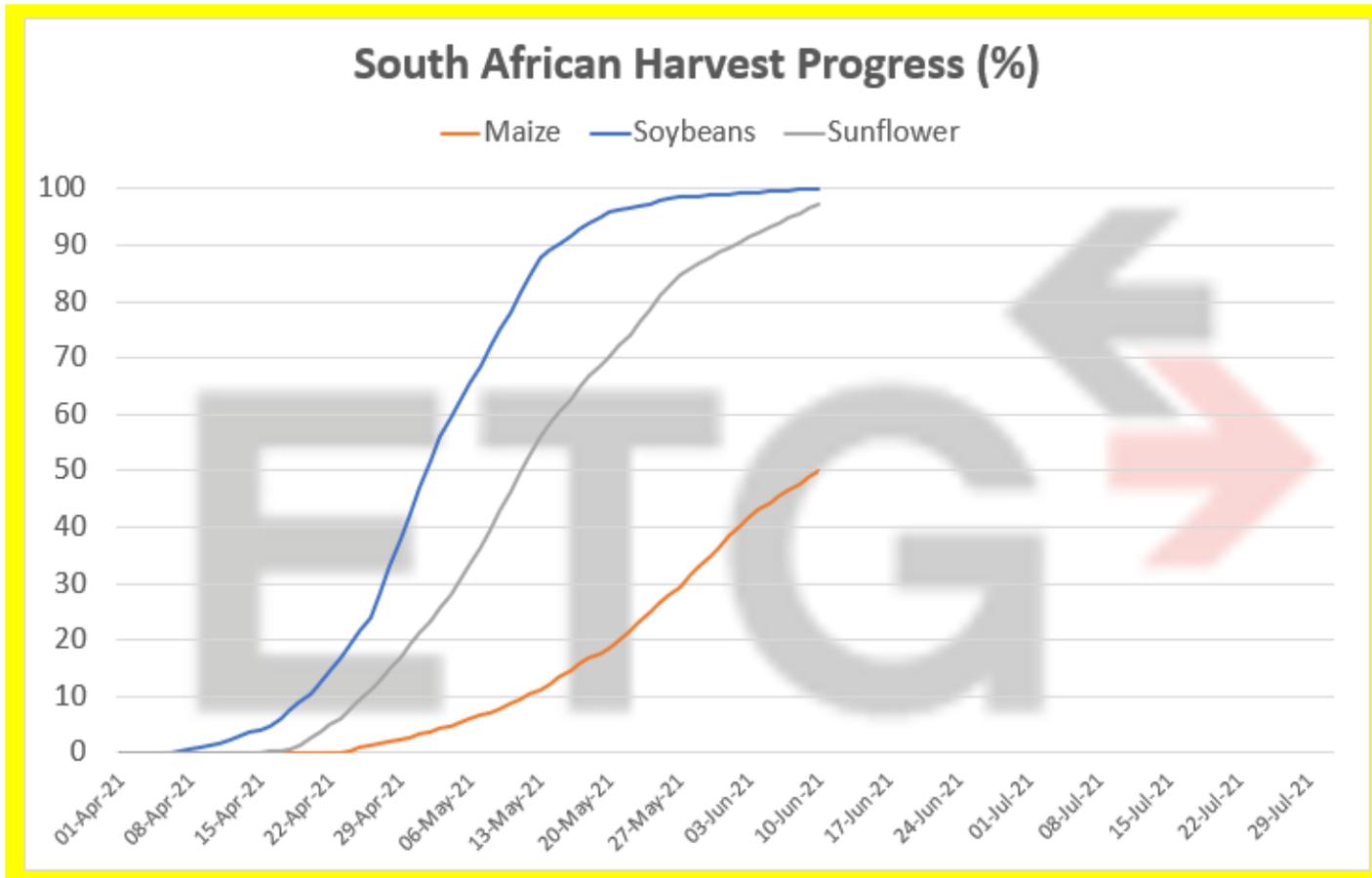
The Federal Reserve Bank has announced that it expects two interest rate hikes by the end of 2023, shortening the US economic recovery timeline. The USD/ZAR weakened to R14,02 after the Federal Reserve's announcement on Wednesday. The Federal Reserve Bank still maintains an accommodating stance that could hamper the dollar's ability to climb even higher. The USD/ZAR touched the psychological level of R14,00, which offers some resistance as the initial reaction withdraws from the market.





FIELD AGENT OVERVIEW

SOUTH AFRICAN HARVEST PROGRESS



SAF HARVEST PROGRESS 10 JUN 2021 (%) ETG			
REGION	Maize	Soy	Suns
North West (West)	38	100	99
North West (East)	26	100	98
Free State (West)	57	100	99
Free State (East)	41	100	97
Mpumalanga (North)	68	100	n/a
Mpumalanga (South)	69	100	n/a
SAF TOTAL	50	100	97



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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