

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

**DATE:** 16 July 2021





## WEATHER

- USA international weather forecast
- USA rainfall
- International weather - La Niña



## PARITIES

- Import and export parities for yellow maize
- Import parities for oilseeds



## INTERNATIONAL AGRICULTURE

- Brazil corn harvest tempo
- USA grain condition
- Parana river drought
- China soybeans imports
- July WASDE report
- CBOT



## NATIONAL AGRICULTURE

- KwaZulu-Natal - food security



## EXCHANGE RATE

- Overview – USD/ZAR



## RAND AGRI SNAPSHOT

- Trader snapshot: producer deliveries
- Field report: South-African harvest progress



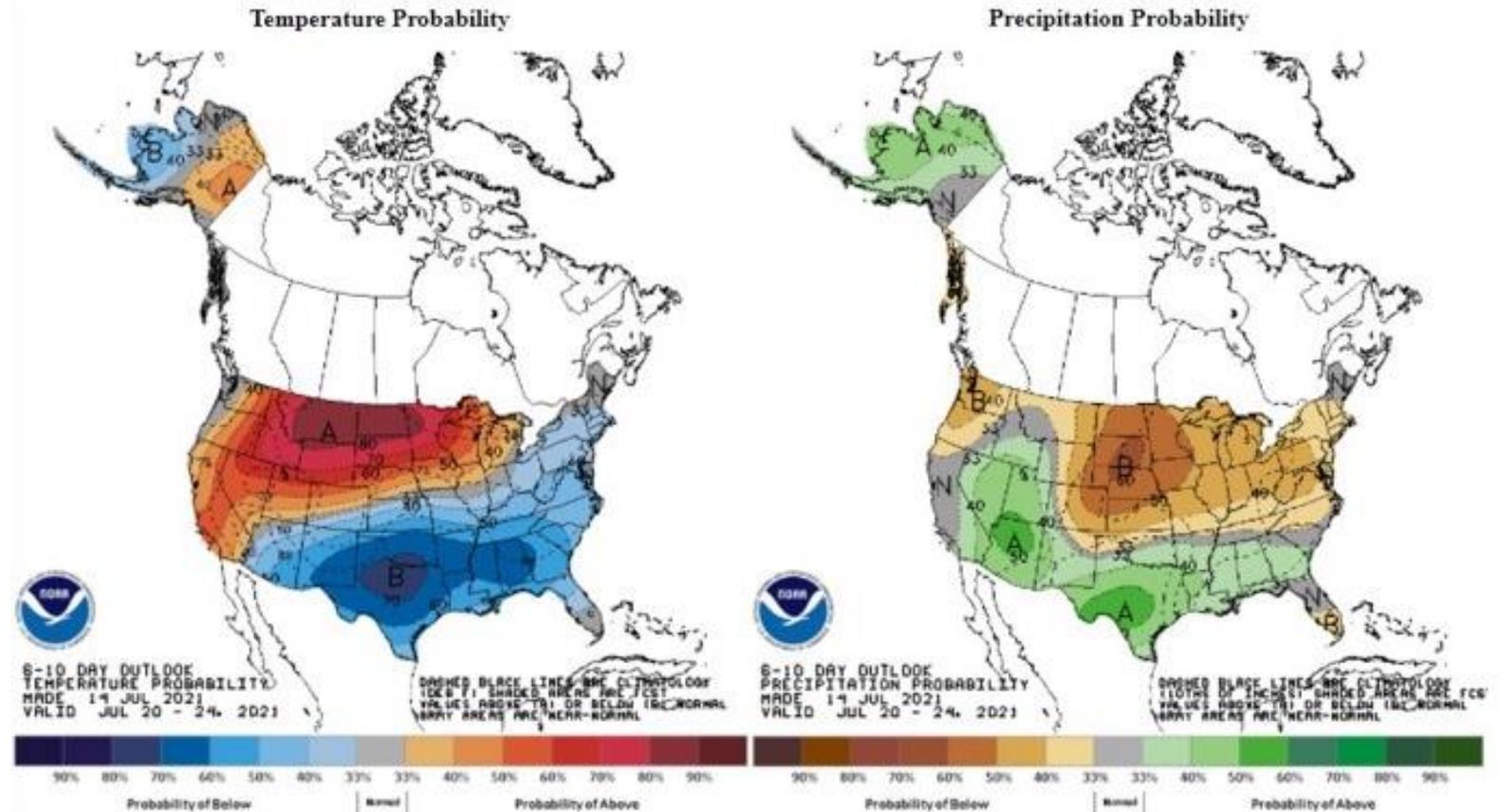


# INTERNATIONAL WEATHER

## USA WEEKLY FORECAST:

Although July has been wetter thus far, the forecast for the next two weeks is drier and warmer, especially in the Midwest, which still suffers from the drought in June and May.

The second half of July will experience below-normal precipitation and above-normal temperatures.



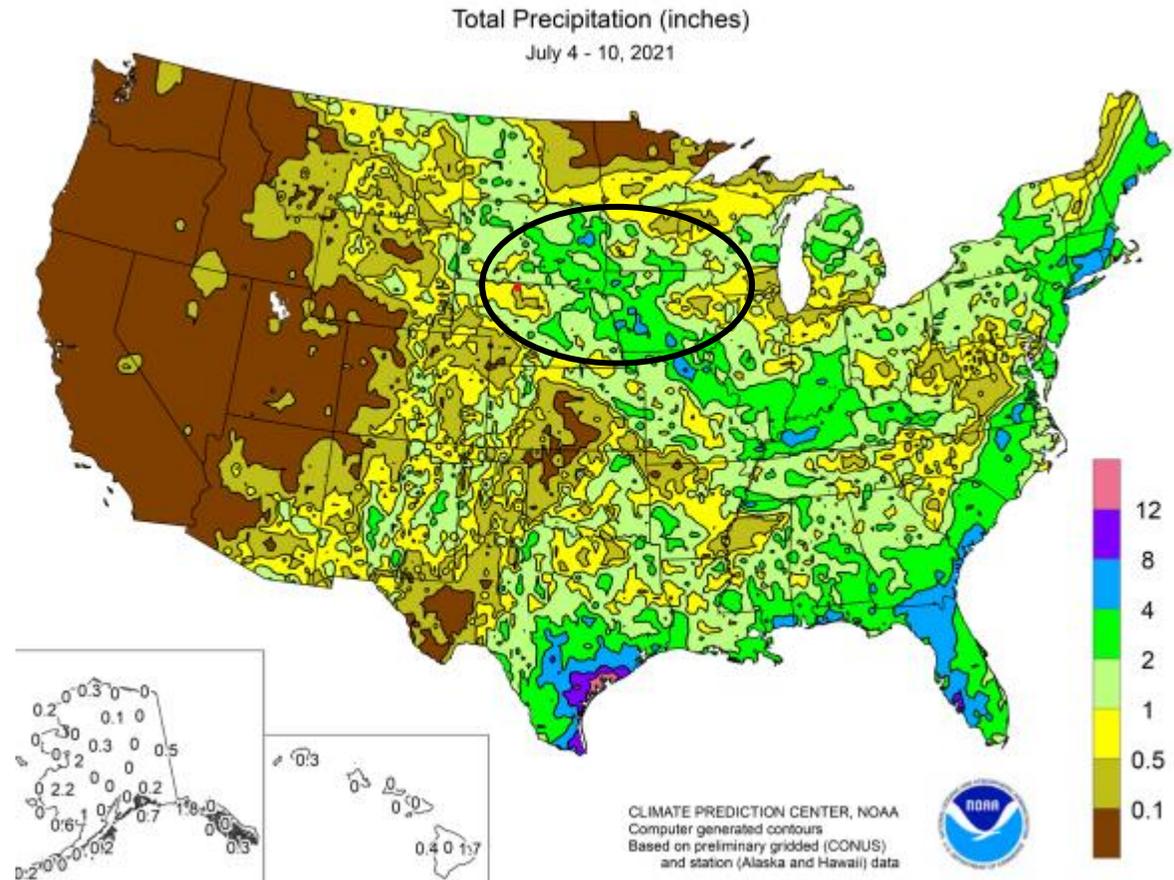


# INTERNATIONAL WEATHER

## USA WEEKLY FORECAST:

Precipitation totals for last week were promising, especially in Iowa and South Dakota.

Corn in the USA is in the pollination phase during July and requires proper moisture, which might be lacking through the second half of July.





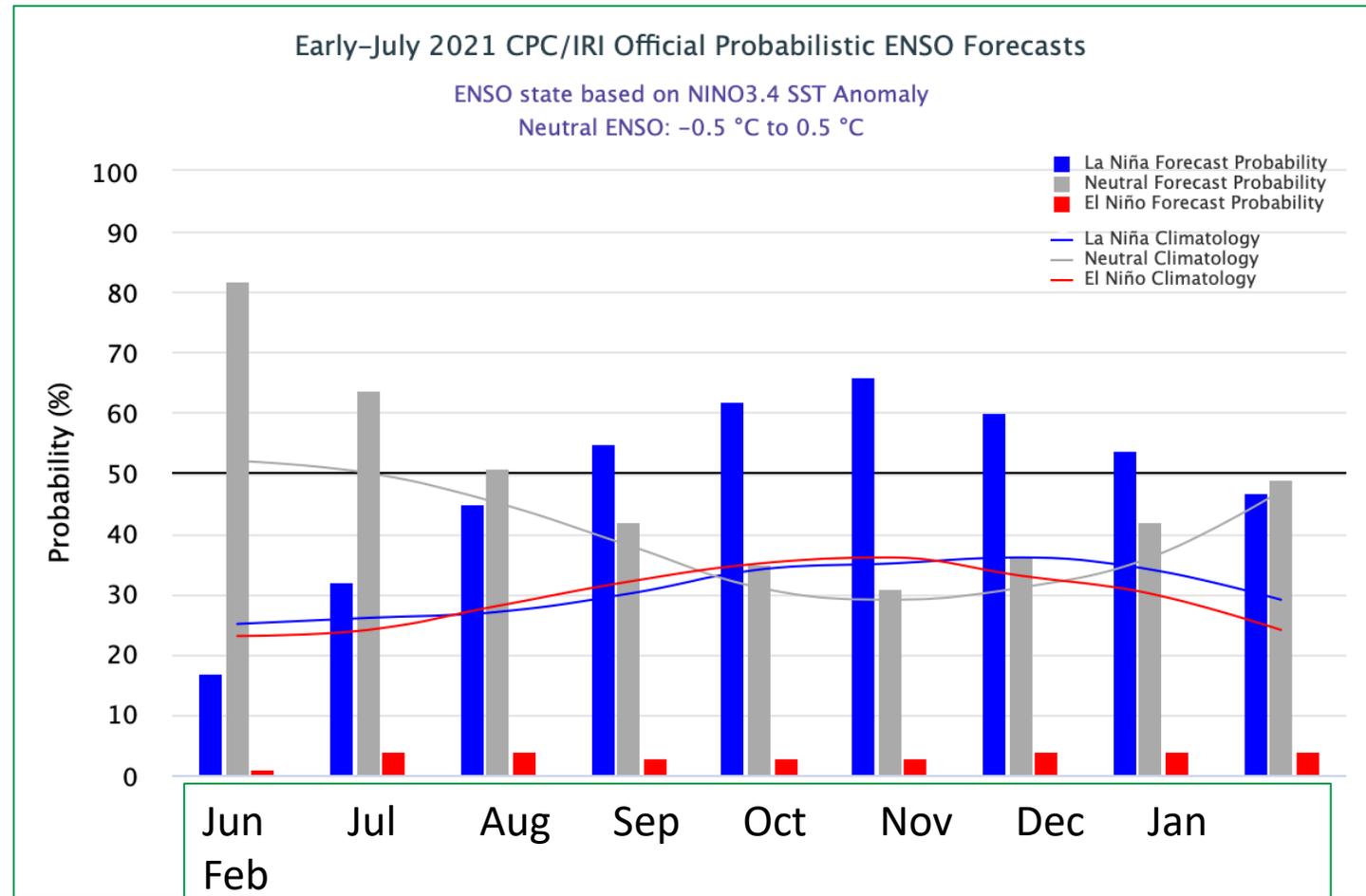
# INTERNATIONAL WEATHER

## USA WEEKLY FORECAST: LA NIÑA

The most recent models from the National Oceanic and Atmospheric Administration (NOAA), indicate a possible rise of a La Niña event over the next few months. It will be problematic for the already drought-stricken central Brazil. The La Niña event can have a positive impact on South-African commodity prices.

It is already the driest year in 90 years. Another La Niña, at the beginning of the soybean planting season in Brazil, could cause delays, which in turn could delay the second corn crop as well.

The possibility for La Niña is currently 51% during August and September and increases to 66% for November.



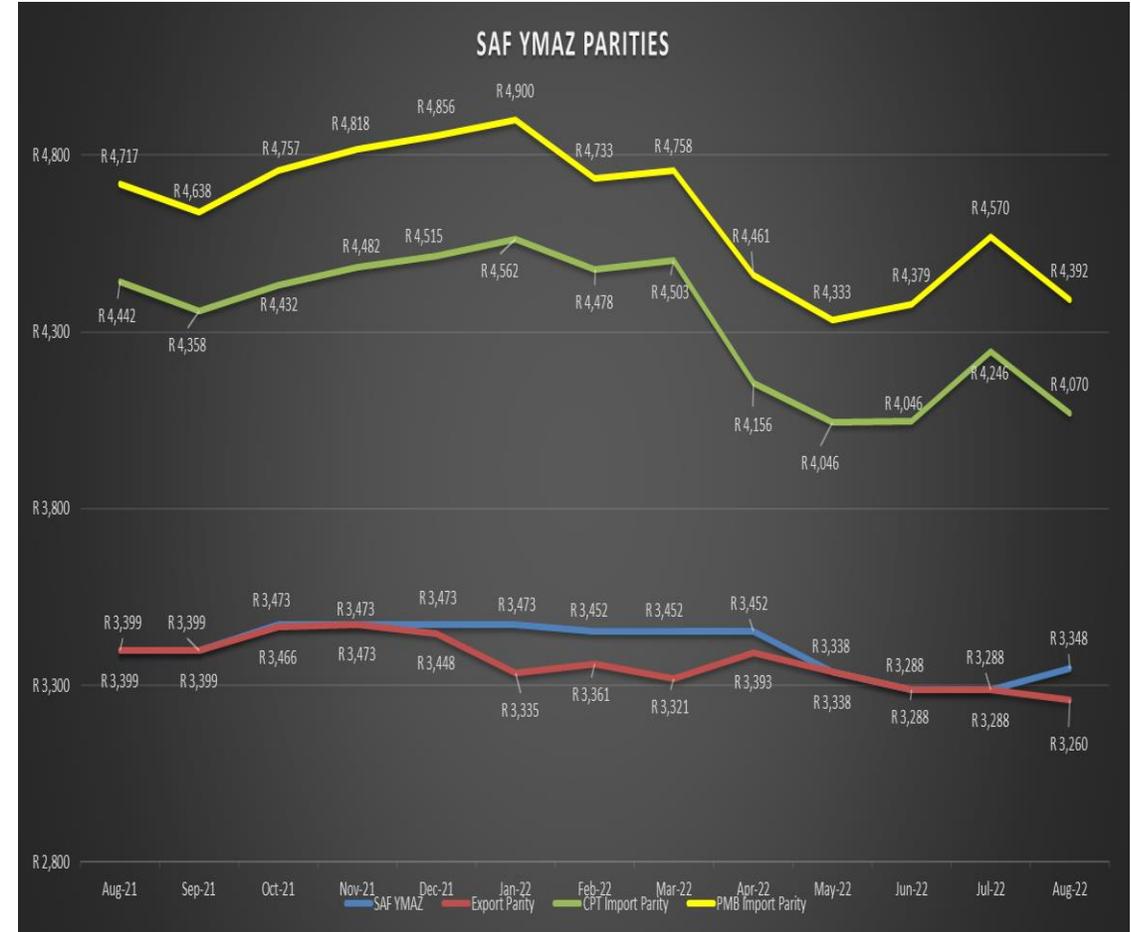


# PARITIES



## YELLOW MAIZE IMPORT & EXPORT

|                    | Sept'21       | Dec'21 | Mar'22 | Jul'22        |
|--------------------|---------------|--------|--------|---------------|
| PMB-import parity  | R4 638        | R4 856 | R4 758 | R4 570        |
| CPT-import parity  | R4 358        | R4 515 | R4 503 | R4 246        |
| SAFEX-yellow maize | <b>R3 399</b> | R3 473 | R3 452 | <b>R3 288</b> |
| DBN-export parity  | <b>R3 399</b> | R3 448 | R3 321 | <b>R3 288</b> |





# PARITIES

## IMPORT PARITY PRICES OF OILSEEDS

as on closing 13 July 2021

| ITEM  | Nota/<br>Note | Sojabone/<br>Soybeans    | Sojabone/<br>Soybeans                | Sojabone/<br>Soybeans            | Sonneblom/<br>Sunflower             | Sonneblom/<br>Sunflower  | ITEM   |
|---|---------------|--------------------------|--------------------------------------|----------------------------------|-------------------------------------|--------------------------|--|
|   |               | VSA/<br>USA<br>Golf/Gulf | Argentynse/<br>Argentine<br>Up River | Brazilië/<br>Brazil<br>Paranagua | EU<br>Franse/<br>French<br>Bordeaux | Swart See /<br>Black Sea |  |
| Internasionale VAB pryse                      | a             | \$/t                     | \$/t                                 | \$/t                             | \$/t                                |                          | International FOB prices                     |
| Vraggeld                                      | b             | 553.00                   | 533.00                               | 553.00                           | 601.00                              | 685.00                   | Freight Rates                                |
| Assuransie (0.3% van VAB)                     |               | 51.00                    | 52.00                                | 44.00                            | 46.00                               | 56.00                    | Insurance (0.3% of FOB)                      |
| 1 KOSTE, ASSURANSIE EN VRAG (KAV) \$/T        |               | 1.66                     | 1.60                                 | 1.66                             | 1.80                                | 2.06                     | 1 COST, INSURANCE AND FREIGHT (CIF) \$/T     |
| Omskakel na R/t                               |               | 605.66                   | 586.60                               | 598.66                           | 648.80                              | 743.06                   | Converted to R/t                             |
| R/\$ Wisselkoers op: 2021/07/13               | c             | 14.4932                  | 14.4932                              | 14.4932                          | 14.4932                             | 14.4932                  | R/\$ Exchange rate on: 2021/07/13            |
| 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             | 8777.95                  | 8501.71                              | 8676.50                          | 9403.19                             | 10769.32                 | Financing cost                               |
| 3 KOSTE, ASSURANSIE, VRAG EN FINANSIERING R/t |               | 50.50                    | 48.91                                | 49.92                            | 54.10                               | 61.96                    | 3 COST, INSURANCE, FREIGHT AND FINANCING R/t |
| Aflaai-koste: Durban                          | e, f          | 8828.45                  | 8550.62                              | 8726.42                          | 9457.29                             | 10831.28                 | Discharging cost: Durban                     |
| Invoertarif:                                  | g             | 204.95                   | 204.95                               | 204.95                           | 219.95                              | 219.95                   | Import Tariff:                               |
| 4 VRY OP SPOOR (VOS) R/t: Durban              |               | 641.18                   | 617.99                               | 641.18                           | 0.00                                | 0.00                     | 4 FREE ON RAIL (FOR) R/t: Durban             |
| Spoorvragkoste                                | h             | 9674.58                  | 9373.56                              | 9572.55                          | 9677.24                             | 11051.23                 | Railage cost                                 |
| - Durban na Randfontein                       |               |                          |                                      |                                  |                                     |                          | - Durban to Randfontein                      |
| 5 GELEWER:                                    |               | 239.70                   | 239.70                               | 239.70                           | 239.70                              | 239.70                   | 5 DELIVERED:                                 |
| - Durban na Randfontein R/ton                 |               | 9914.28                  | 9613.26                              | 9812.25                          | 9916.94                             | 11290.93                 | - Durban to Randfontein R/ton                |

# AGRICULTURE

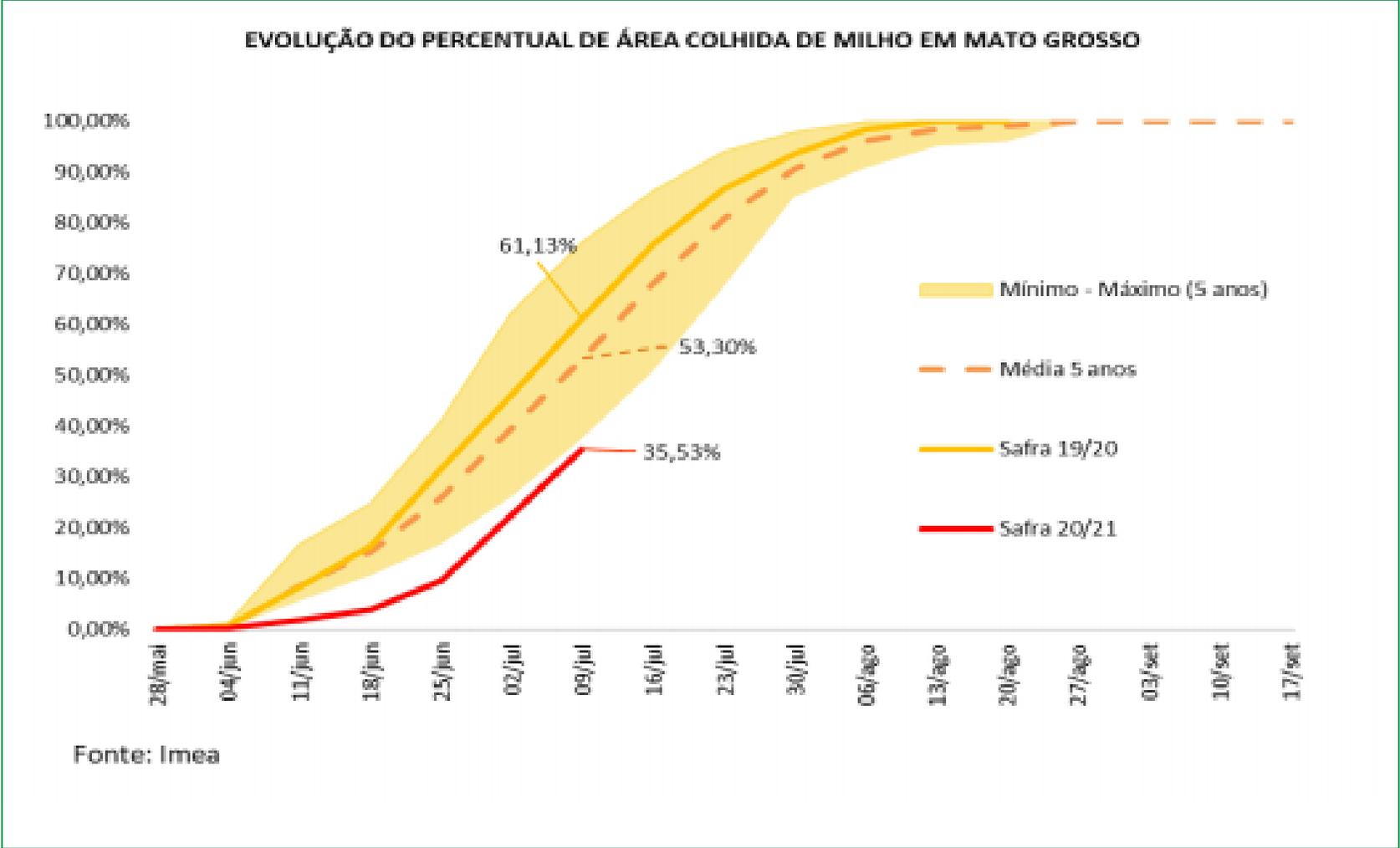
## BRAZIL

### Corn harvest tempo

The corn harvest in Brazil is far behind the average pace for the second crop. In all of Brazil only 20% of the corn has been harvested.

In Mato Grosso, 35,53% of the Safrinha corn has been harvested. This is far below last years tempo of 61,1% and the 5-year average of 53,3%.

AgRural forecasts Brazilian farmers will harvest 59,1 million tons of the second corn crop, a decrease from 75,1 million tons last season.



Read more: <https://www.agriculture.com/markets/newswire/brazils-center-south-second-corn-crop-20-harvested-agrural-says>

# AGRICULTURE USA

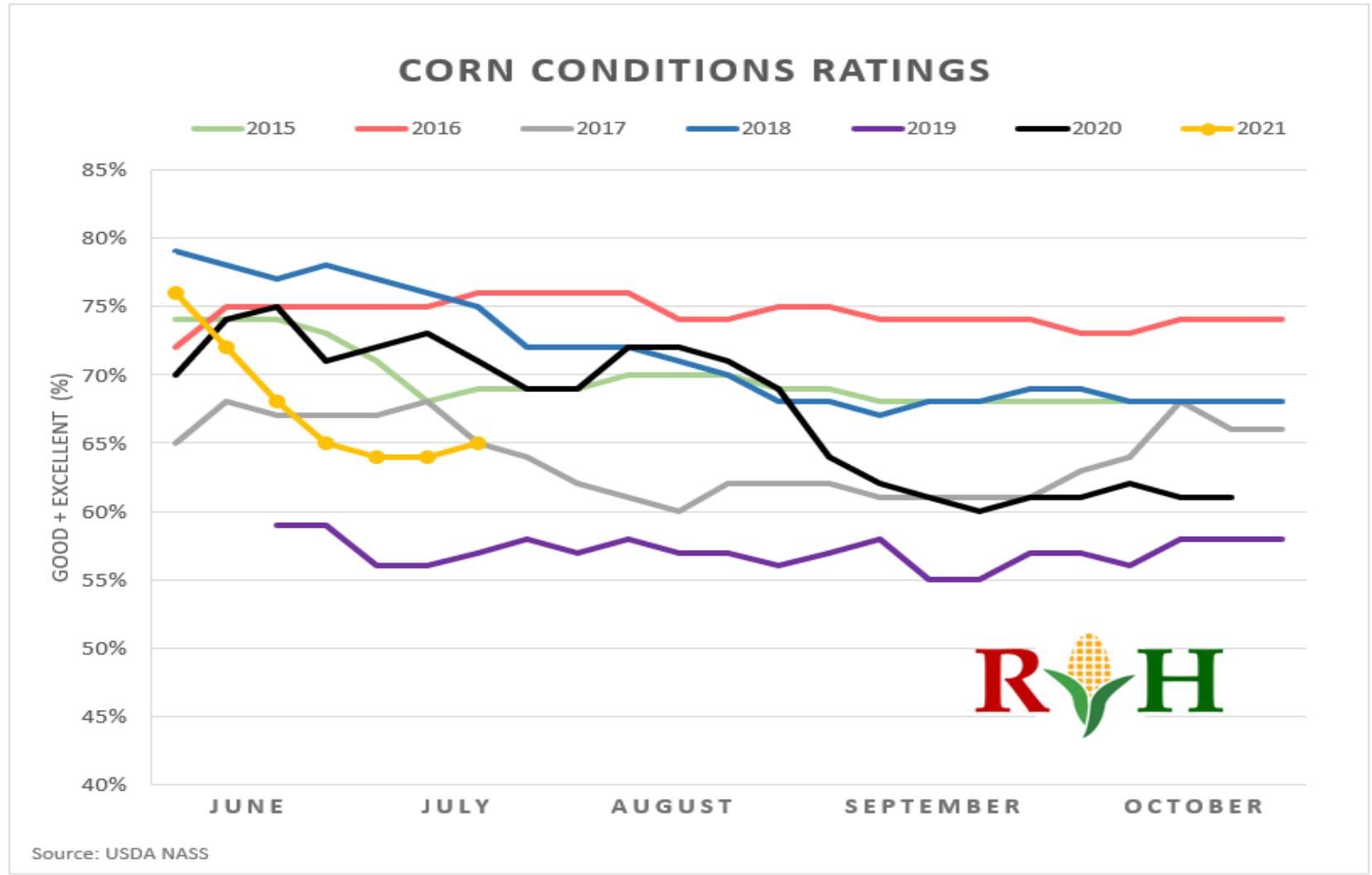
## Grain conditions

**Corn:**  
Corn conditions were rated 65% good/excellent, compared to 64% last week and compared to 69% last year.

**Wheat:**  
Spring wheat conditions were rated 16% good/excellent, unchanged from last week and compared to 70% last year.

Winter wheat conditions were rated 48% good/excellent, compared to 52% last year.

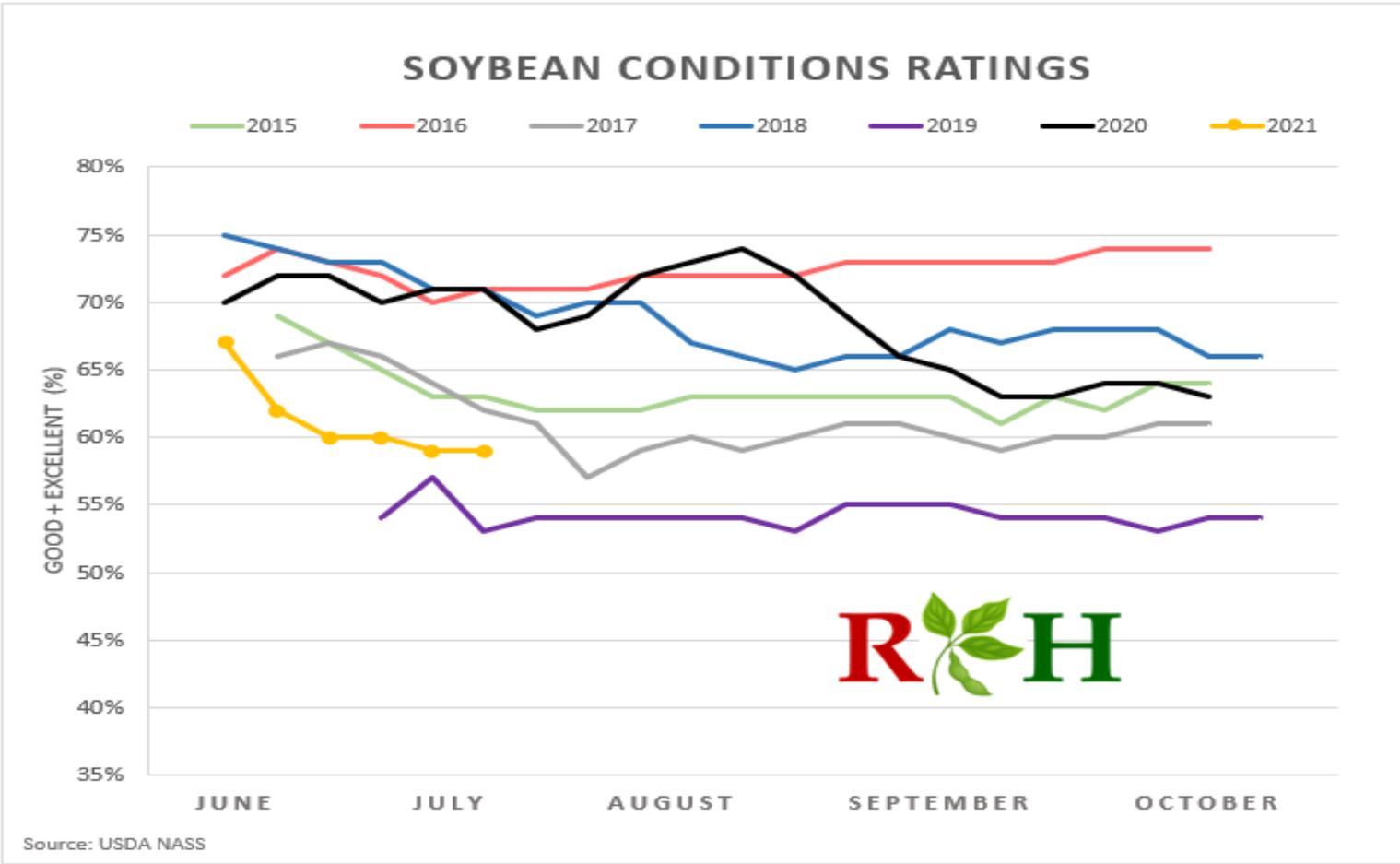
59% winter wheat is harvested.



# AGRICULTURE USA

## Soybean conditions

Soybean conditions were rated 59% good/excellent, unchanged from last week and compared to 68% last year.





# INTERNATIONAL AGRICULTURE

## PARANA RIVER DROUGHT

About 80% of Argentina's agricultural exports are shipped from Rosario ports and down the Parana river, out to the Atlantic. Drought in Brazil, where the Parana originates, has diminished cargo traffic and has forced ships leaving the Argentine agricultural ports hub of Rosario on the Parana river to reduce the weight of their cargo by thousands of tons due to low water levels. The drought has reduced the amount of cargo that can be carried by ships at the height of the Argentine corn and soy export season.

"Handymax ships are leaving port with 9,250 tons less cargo than normal and Panamax ships 11,350 tons less," Guillermo Wade the manager of Argentina's Chamber of Port and Maritime Activities said in an interview.

The shallowness of the Parana threatens to cost the country's grains farmers and exporters almost \$315 million over a six-month period through August, the Rosario grains exchange said last week.

Read more in the [Reuters article](#)



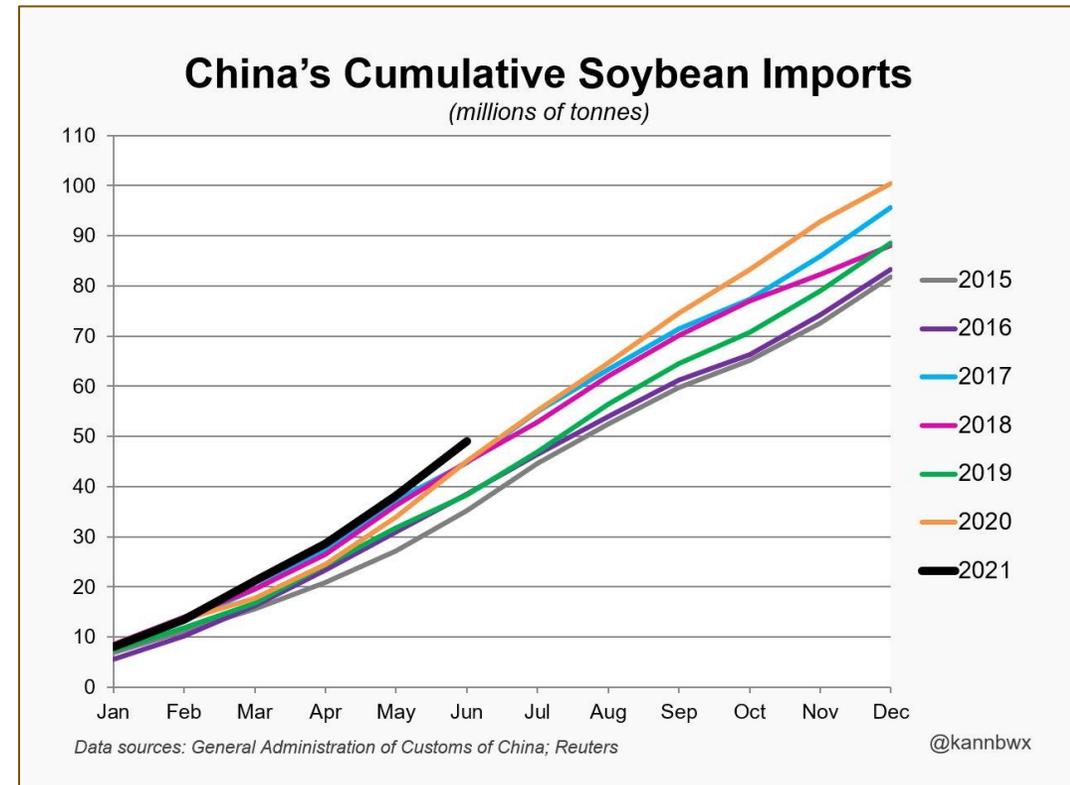
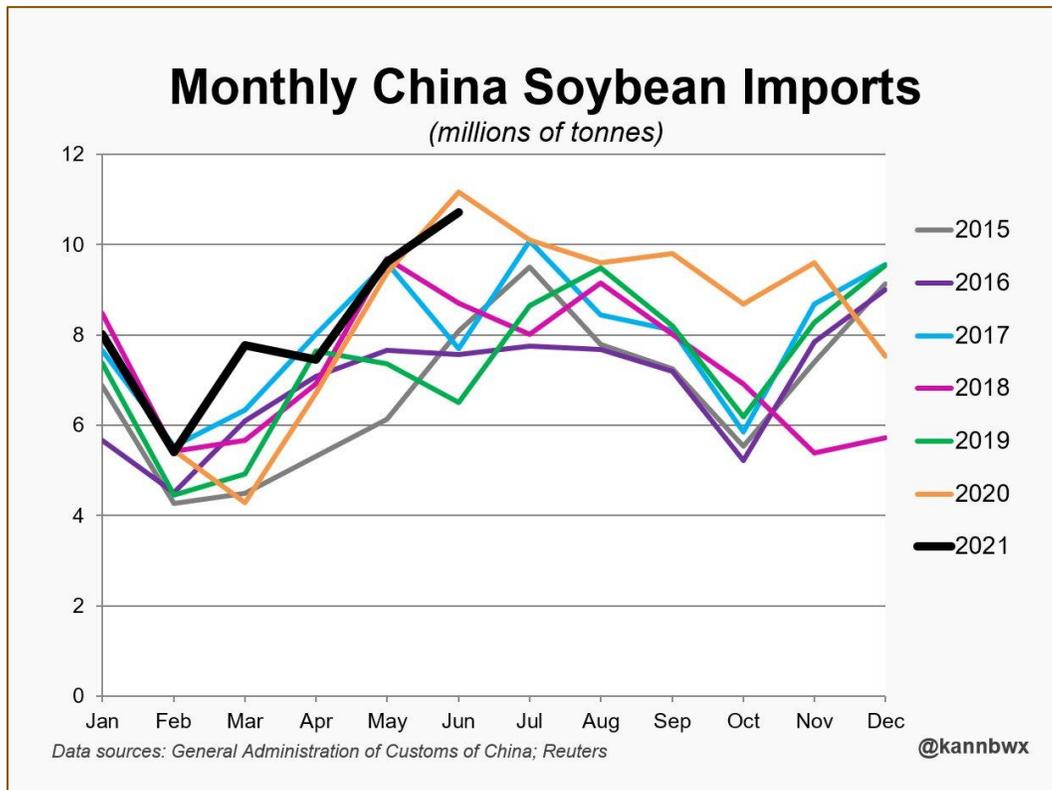


# INTERNATIONAL AGRICULTURE

## CHINA'S SOYBEAN IMPORTS - JUNE

China imported 10,72 million tons of soybeans in June, this is 3,9% less than the record 11,16 million tons June 2020. This is mostly due to delayed cargo arrivals from Brazil, since shipments have picked up in recent months. China imported a record 49 million tons of soybeans in the first half of 2021, up almost 9% on last year's high.

[Read more](#)





# INTERNATIONAL AGRICULTURE

## JULY WASDE

- US ending stock levels were close to market expectations.
- Brazil's corn crop declined by 5.5 million tons due to frost damage.
- Soybean world ending stock levels were higher than market expectations.
- Wheat world ending stock levels were lower than market expectations.

| USA ending stock (billions of bushels) |              |                    |              |              |                    |
|--|--------------|--------------------|--------------|--------------|--------------------|
|  | July 2020/21 | Trade Expectations | June 2020/21 | July 2021/22 | Trade Expectations |
| Mielies                                | 1.082        | 1.088              | 1.107        | 1.432        | 1.402              |
| Sojabone                               | 0.135        | 0.134              | 0.135        | 0.155        | 0.148              |
| Koring                                 | 0.844        | -                  | 0.852        | 0.665        | 0.729              |

| World ending stock (millions of tons) |              |                    |              |              |                    |
|---------------------------------------|--------------|--------------------|--------------|--------------|--------------------|
|                                       | July 2020/21 | Trade Expectations | June 2020/21 | July 2021/22 | Trade Expectations |
| Corn                                  | 279.86       | 279.76             | 280.6        | 291.18       | 288.97             |
| Soybeans                              | 91.49        | 87.62              | 88.0         | 94.49        | 92.57              |
| Wheat                                 | 290.18       | 293.48             | 293.48       | 291.68       | 295.41             |

|                    | Brazil (million ton) |          | Argentina (million ton) |          |
|--------------------|----------------------|----------|-------------------------|----------|
|                    | Corn                 | Soybeans | Corn                    | Soybeans |
| July 2020/21       | 93.0                 | 137.0    | 48.5                    | 46.5     |
| Trade Expectations | 92.21                | 136.76   | 47.46                   | 46.61    |
| June 2020/21       | 98.5                 | 137      | 47.0                    | 47       |
| 2019/20            | 102.0                | 128.5    | 51.0                    | 48.8     |



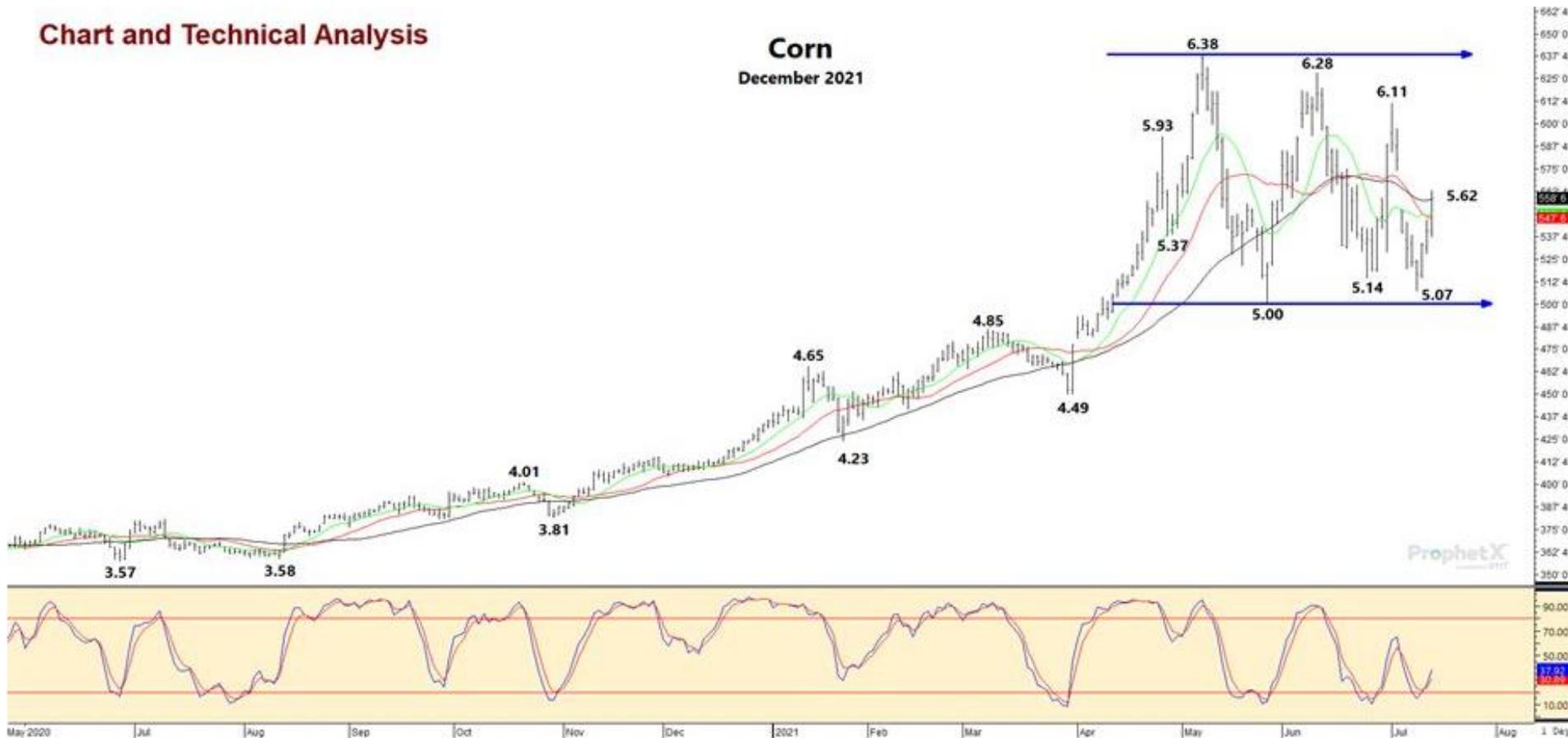
# CBOT-CORN

## CBOT-CORN DECEMBER



- The corn market has experienced a positive week due to worry about a drier second half of July.
- Corns initial overhead resistance is at \$5,73.

### Chart and Technical Analysis





# CBOT-SOYBEANS

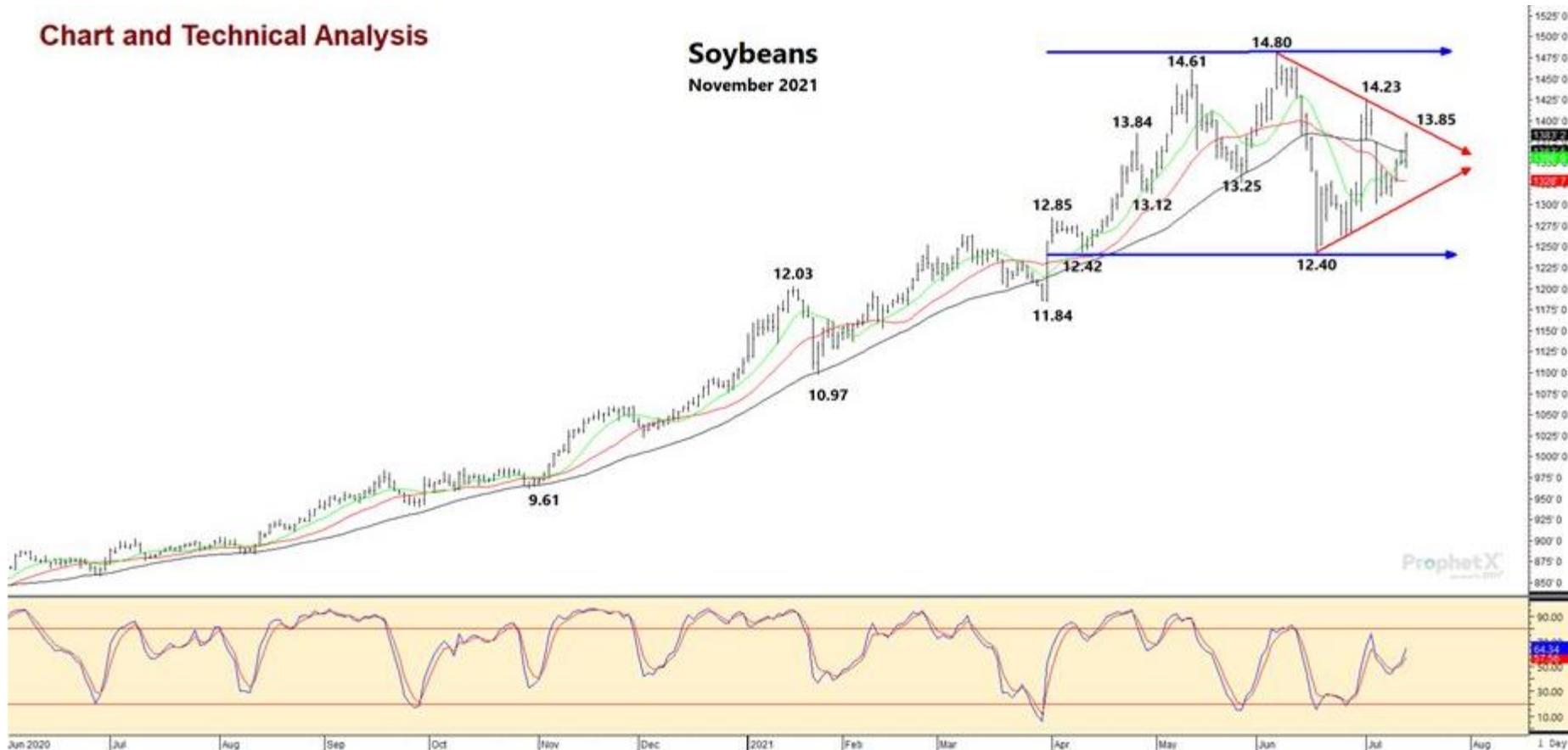
## CBOT-SOYBEANS NOVEMBER

- Soybean prices increased this week on weather worries for the remainder of July.
- The initial overhead resistance for soybeans are \$14.



### Chart and Technical Analysis

Soybeans  
November 2021





# NATIONAL AGRICULTURE

## KWAZULU-NATAL UNRESTS AND FOOD SECURITY

Rioting and violence has run amok in KwaZulu-Natal and Gauteng the past week. Although KwaZulu-Natal isn't the epicentre of agriculture in the country. It is important to our importing and exporting system. Products including wheat, milk, rice, poultry products and palm oils are all imported through Durban's harbour.

The only risk to country wide food security at this point is when there is no fuel for transport within the country. The refinery in Durban, which accounts for 35% of the country's refining capacity, has declared force majeure and is unable to produce and supply fuel to it's maximum capacity at this stage. This is problematic since a large share of South Africa's food is transported by road.

Continued disruption will affect supplies given the specifics of South Africa's food supply chains. Gauteng, the other province also most affected, is one of the major food processing hubs.

Milk producers are dumping their milk, while egg and vegetable producers are unable to get their produce to the end users due to the unrest consuming KwaZulu-Natal. Kwanalu CEO, Sandy La Marque, estimates the losses for the KwaZulu-Natal agricultural community to be in the hundreds of millions of rands. Feed for animals is not being delivered and many sugarcane, grazing and timber farmers have been fighting arson attacks since Monday.

Read more: [South African riots and food security](#)





# EXCHANGE RATE

## USD/ZAR



The USD/ZAR weakened this week, ceding its position as the year's top emerging-market performer, after deadly protests that erupted across KwaZulu-Natal and Gauteng. These protests and unrests has disrupted South Africa's Covid-19 vaccination program and is threatening food shortages as supply chains buckled. Investors are concerned that the unrest will derail South Africa's efforts to rebuild the economy in the wake of the pandemic. The USD/ZAR has surged higher in the past few days and previous resistance levels have been brushed to the side. The USD/ZAR moved closer to R14.35 as the South African National Defence Force joined the fight against the protesters.

Published on Investing.com, 15/Jul/2021 - 11:49:49 GMT, Powered by TradingView.

USD/ZAR, D





# TRADER SNAPSHOT

## PRODUCER DELIVERIES FOR 2020/21 SEASON

| Maize   | WM1       | WM2     | WM3    | WMO | White maize<br>Total (ton) | YM1       | YM2     | YM3   | YMO   | Yellow maize<br>Total (ton) | Grand Total       |
|---|-----------|---------|--------|-----|----------------------------|-----------|---------|-------|-------|-----------------------------|-------------------|
| Producer deliveries from 1 May<br>till 9 July | 4 914 141 | 210 834 | 16 402 | 492 | 5 141 869                  | 4 695 957 | 128 126 | 1 491 | 6 206 | 4 831 780                   | 9 973 649         |
| <b>Fifth production forecast</b>              |           |         |        |     | <b>8 936 815</b>           |           |         |       |       | <b>7 295 800</b>            | <b>16 232 615</b> |
| <b>Difference -outstanding</b>                |           |         |        |     | <b>-3 794 946</b>          |           |         |       |       | <b>-2 464 020</b>           | <b>-6 258 966</b> |

| Oilseeds                                    | Sunflower Seed<br>Total (ton) | Soyabean<br>Total (ton) |
|---|-------------------------------|-------------------------|
| Producer deliveries from 27 Feb till 9 July | 593 927                       | 1 805 385               |
| <b>Fifth production forecast</b>            | <b>677 240</b>                | <b>1 918 150</b>        |
| <b>Difference -outstanding</b>              | <b>-83 313</b>                | <b>-112 765</b>         |

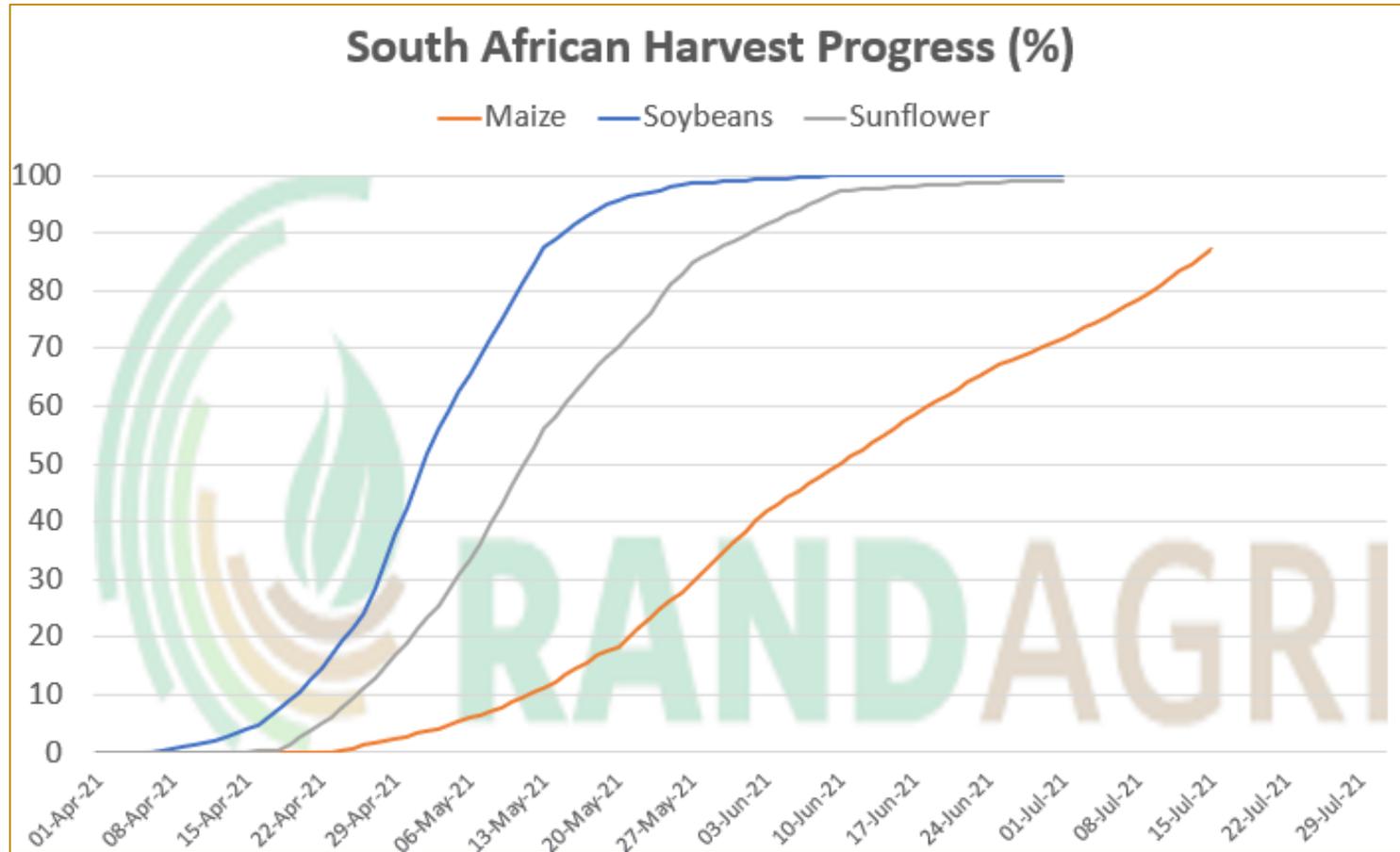
Source: SAGIS

*This information is voluntary submitted by co-workers registered with SAGIS where producer deliveries are commercially received*



# FIELD AGENT OVERVIEW

SOUTH AFRICAN HARVEST PROGRESS (%)



| SAF HARVEST PROGRESS 15 JUL 2021 (%)  |           |            |           |
|--|-----------|------------|-----------|
| REGION   | Maize     | Soy        | Suns      |
| North West (West)  | 81        | 100        | 100       |
| North West (East)  | 73        | 100        | 100       |
| Free State (West)  | 89        | 100        | 100       |
| Free State (East)  | 87        | 100        | 100       |
| Mpumalanga (North)   | 96        | 100        | n/a       |
| Mpumalanga (South)   | 96        | 100        | n/a       |
| <b>SAF TOTAL</b>   | <b>87</b> | <b>100</b> | <b>99</b> |



# 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.



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