

WEEKLY
FOOD-FOR
THOUGHT

DATE: 2 July 2021





WEATHER

- USA international weather forecast
- USA rainfall
- Brazil - frost



PARITIES

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



INTERNATIONAL AGRICULTURE

- North American plant progress
- USDA quarterly grain stock report
- Russia - wheat harvest
- CBOT



NATIONAL AGRICULTURE

- Sunflower in South-Africa
- South-Africa – producer deliveries



EXCHANGE RATE

Overview – USD/ZAR



RAND AGRI SNAPSHOT

- Trader snapshot – USA maize plantings
- Field report – South African harvest progress



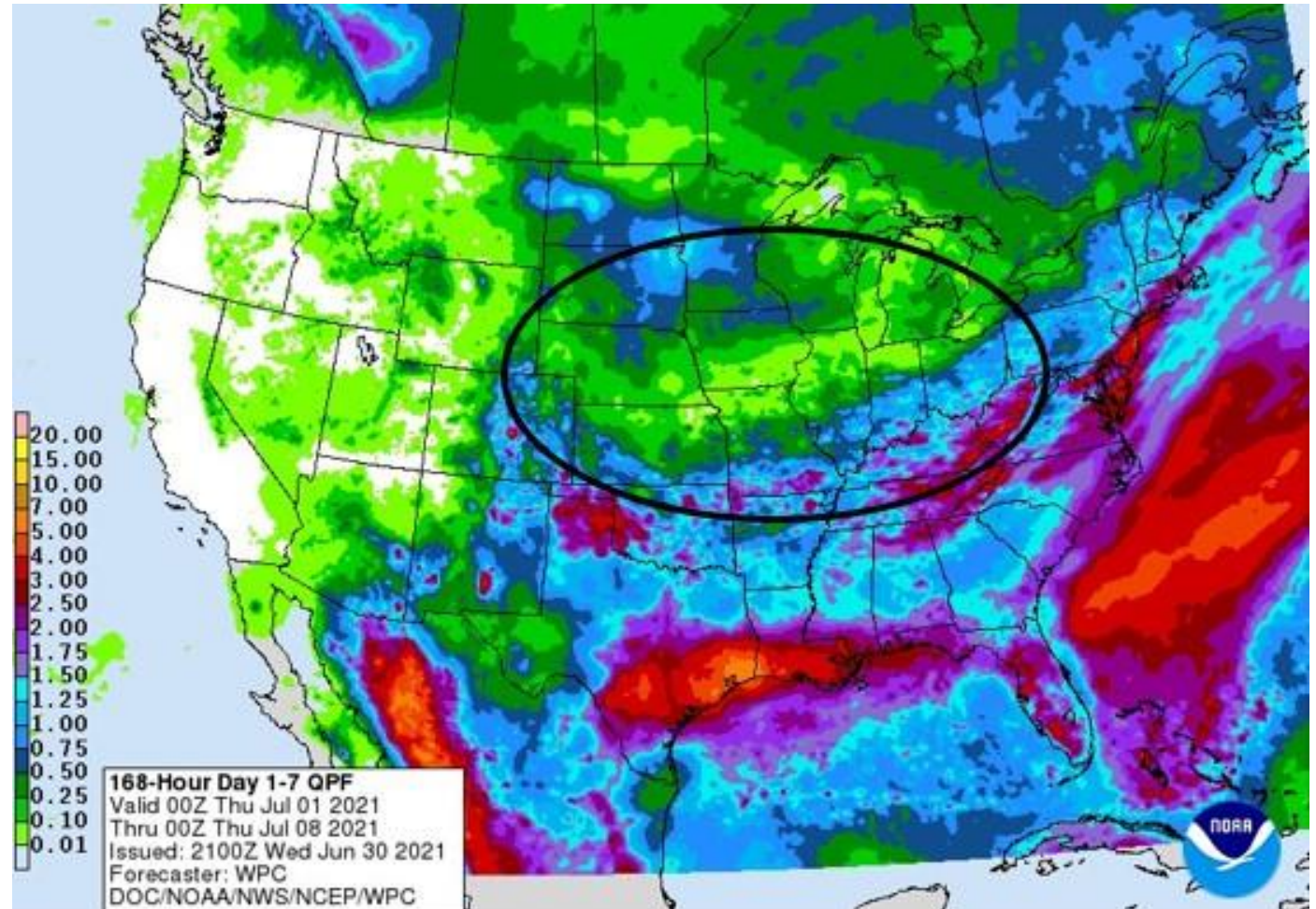


INTERNATIONAL WEATHER

USA WEEKLY FORECAST:

Light rainfall is forecast over the corn belt for the next 7-days. There is a chance for rain in North and South Dakota, as well as Minnesota.

The central corn belt will be drier in the next week

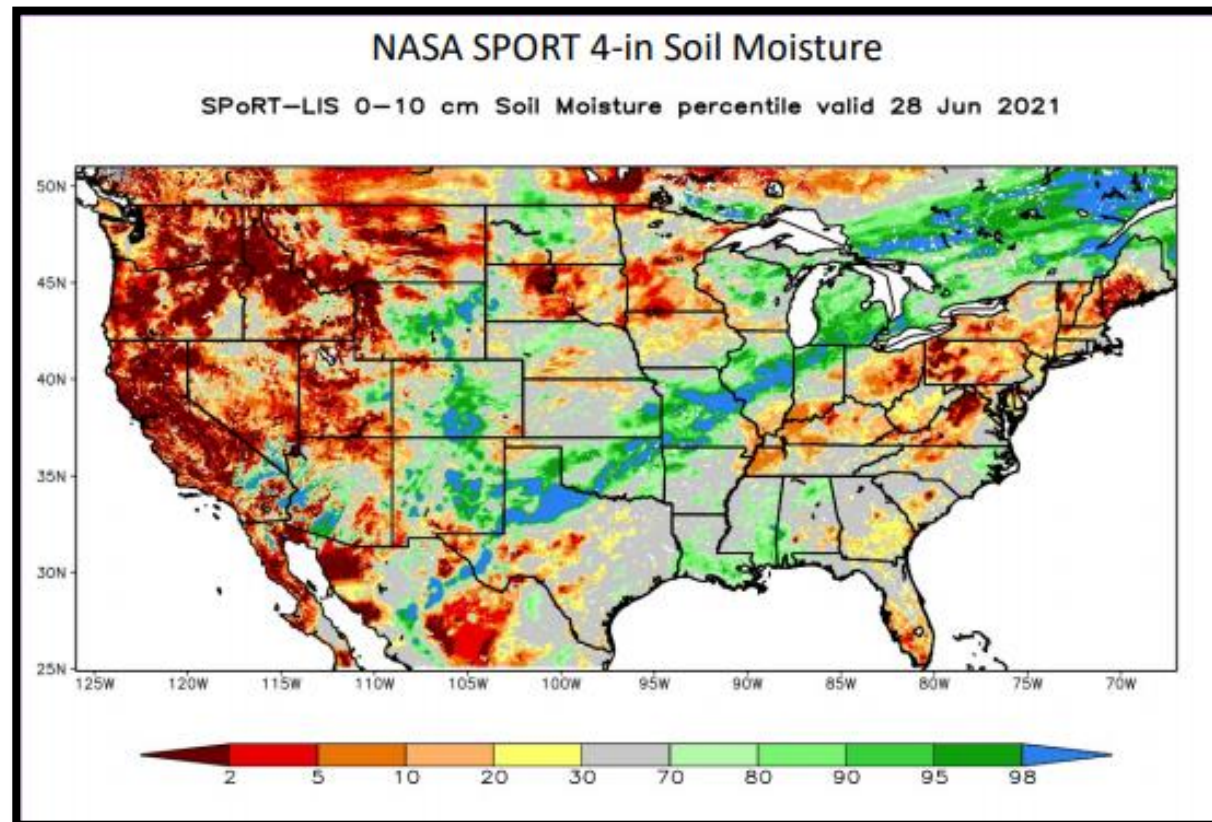




INTERNATIONAL WEATHER

USA RAINFALL

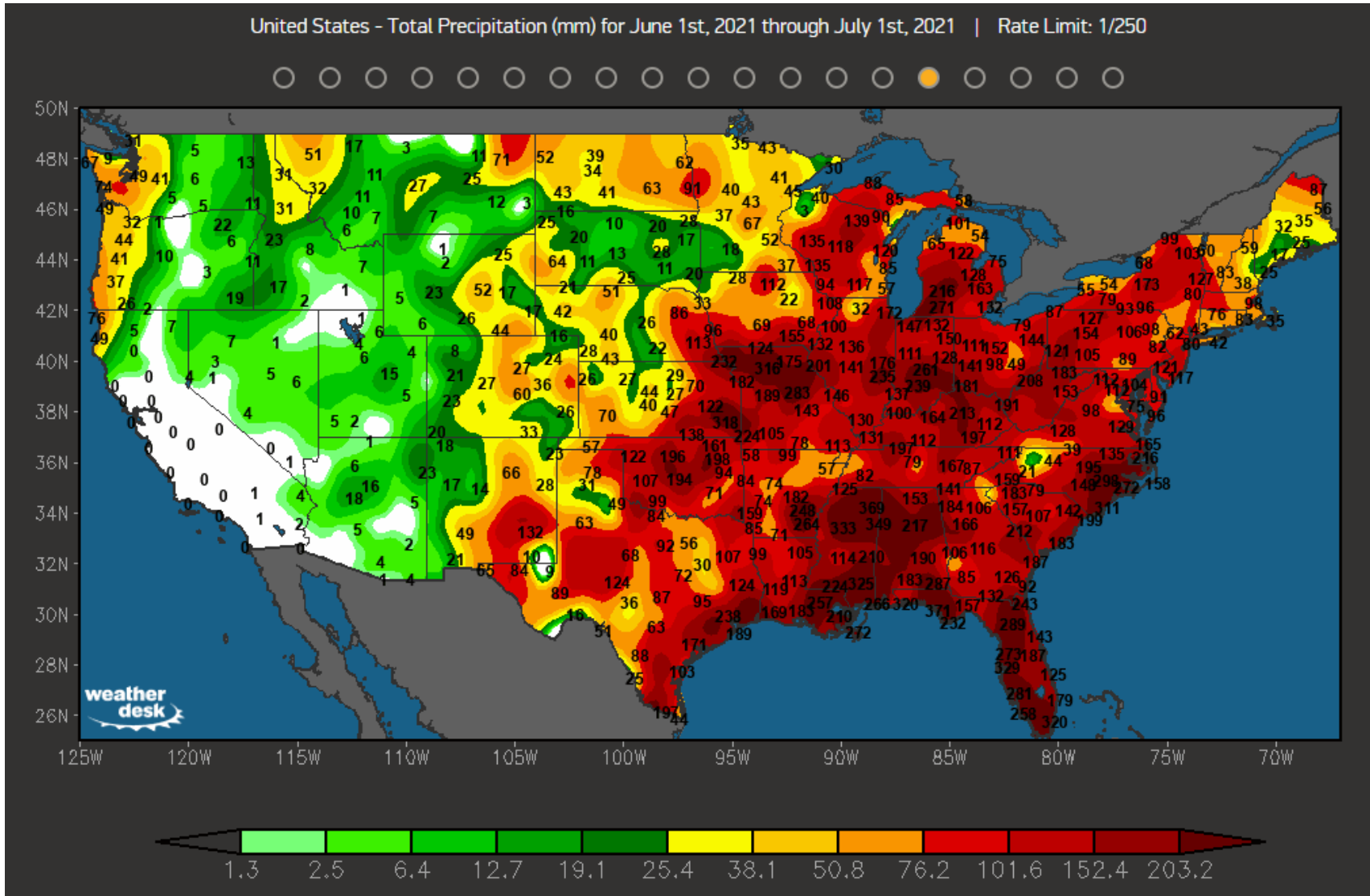
After relatively good rain over most of the corn belt in the past 7-days, the subsoil moisture is still low, especially in the Midwest, including North and South Dakota.





INTERNATIONAL WEATHER

USA RAINFALL PREDICTION





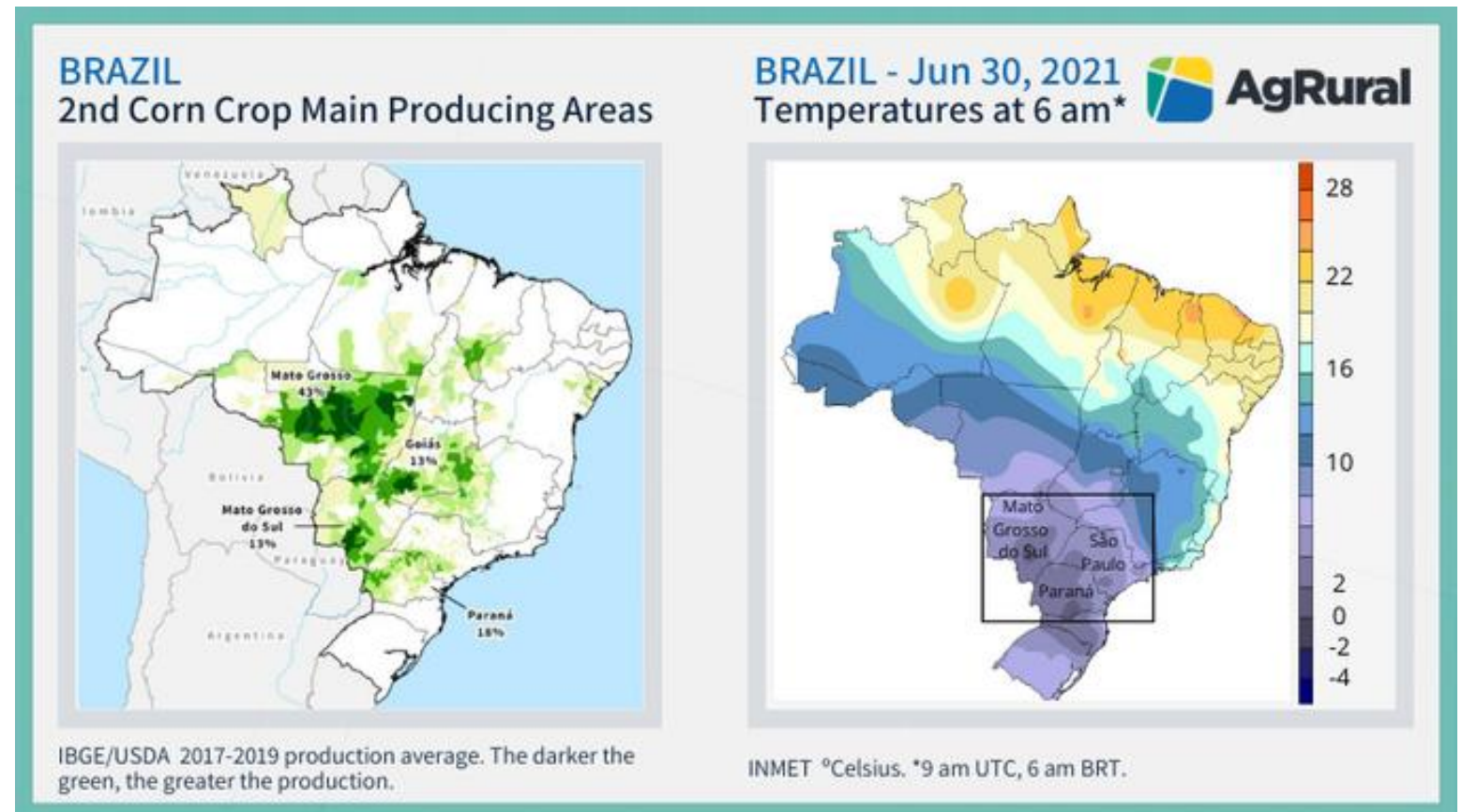
INTERNATIONAL WEATHER

BRAZIL FROST

Cold temperatures filtered into southern Brazil this week in Parana, Mato Grosso do Sul, Sao Paulo, with frosts reported

Temperatures slid down to almost -2°C in a couple of areas, but most areas reached 1°C on 29 to 30 June. The frost came at a critical time when late-planted maize is still in reproductive to filling stages.

15% of the second maize crop was still in the reproductive stage on 21 June, and the remainder in the filling stage. Frost of this magnitude could have a significant impact on maize production.



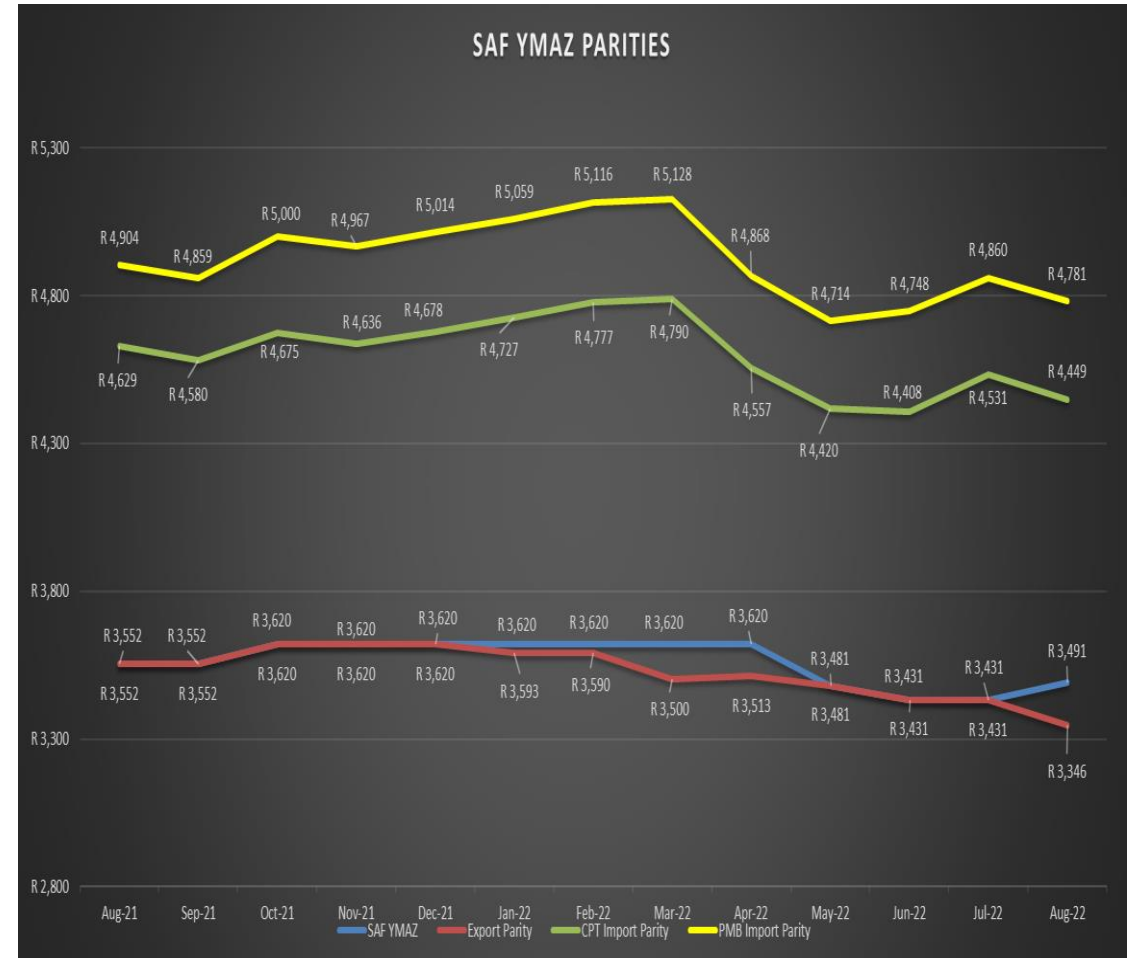


PARITIES



YELLOW MAIZE IMPORT & EXPORT

	Sept'21	Dec'21	Mar'22	Jul'22
PMB-import parity	R4 859	R5 014	R5 128	R4 860
CPT-import parity	R4 580	R4 678	R4 790	R4 531
SAFEX-yellow maize	R3 552	R3 620	R3 620	R3 431
DBN-export parity	R3 552	R3 620	R3 500	R3 431





PARITIES

IMPORT PARITY PRICES OF OILSEEDS

As on 29 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	
		\$/t	\$/t	\$/t	\$/t		
Internasionale VAB pryse	a	528.00	504.00	518.00	600.00	695.00	International FOB prices
Vraggeld	b	49.00	50.00	41.00	44.00	54.00	Freight Rates
Assuransie (0.3% van VAB)		1.58	1.51	1.55	1.80	2.09	Insurance (0.3% of FOB)
1 KOSTE, ASSURANSIE EN VRAG (KAV) \$/T		578.58	555.51	560.55	645.80	751.09	1 COST, INSURANCE AND FREIGHT (CIF) \$/T
Omskakel na R/t							Converted to R/t
R/\$ Wisselkoers op: 2021/06/29	c	14.3303	14.3303	14.3303	14.3303	14.3303	R/\$ Exchange rate on: 2021/06/29
2 KOSTE, ASSURANSIE EN VRAG (KAV) R/t		R/t 8291.22	R/t 7960.62	R/t 8032.85	R/t 9254.51	10763.35	2 COST, INSURANCE AND FREIGHT (CIF) R/t
Finansieringskoste	d	47.70	45.80	46.22	53.25	61.93	Financing cost
3 KOSTE, ASSURANSIE, VRAG EN FINANSIERING R/t		8338.92	8006.42	8079.07	9307.76	10825.28	3 COST, INSURANCE, FREIGHT AND FINANCING R/t
Aflaakoste: Durban	e, f	204.95	204.95	204.95	219.95	219.95	Discharging cost: Durban
Invoertarif:	g	605.31	577.80	593.85	0.00	0.00	Import Tariff:
4 VRY OP SPOOR (VOS) R/t: Durban		9149.18	8789.17	8877.87	9527.71	11045.23	4 FREE ON RAIL (FOR) R/t: Durban
Spoorvragkoste	h						Railage cost
- Durban na Randfontein		239.70	239.70	239.70	239.70	239.70	- Durban to Randfontein
5 GELEWER:							5 DELIVERED:
- Durban na Randfontein R/ton		9388.88	9028.87	9117.57	9767.41	11284.93	- Durban to Randfontein R/ton

AGRICULTURE

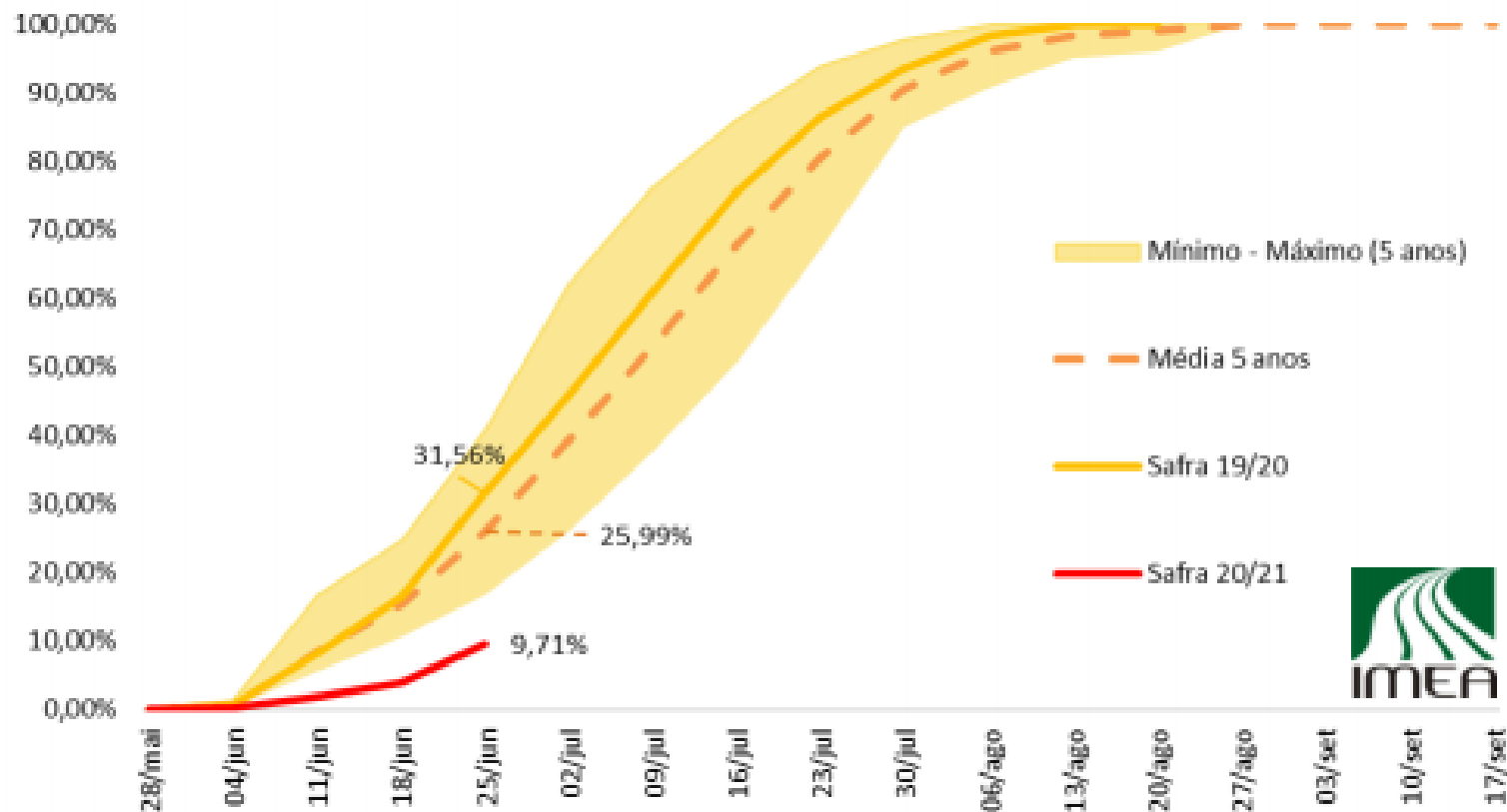
BRAZIL

The corn harvest in Brazil is still far behind the average pace for the second crop. In all of Brazil only 7-9% of the corn has been harvested. This is mainly due to late planting and prolonged drought in the past months.

In Mato Grosso, 9,71% of the Safrinha corn has been harvested this is far below last years tempo of 31,5% and the 5-year average of 25,9%.



EVOLUÇÃO DO PERCENTUAL DE ÁREA COLHIDA DE MILHO EM MATO GROSSO



Fonte: Imea



AGRICULTURE

USA

Corn:
Corn conditions were rated 64% good/excellent, compared to 65% last week and 73% last year.

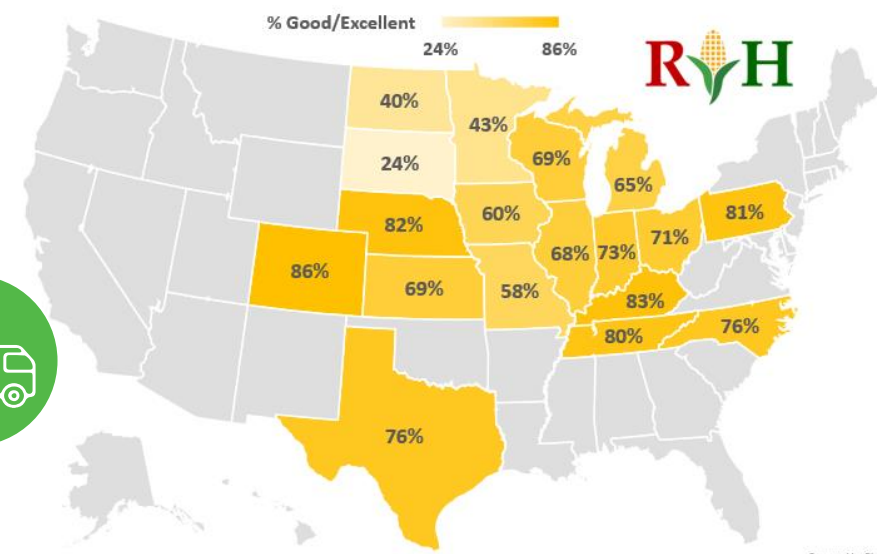
Soybeans:
Soybean conditions were rated 60% good/excellent, compared to 60% last week and 71% last year.

Wheat:
Spring wheat conditions were rated 20% good/excellent, compared to 27% last week and 69% last year.

Winter wheat conditions were rated 48% good/excellent, compared to 52% last year. Winter wheat is 33% harvested.



CORN CONDITIONS - AS OF 06/27/2021

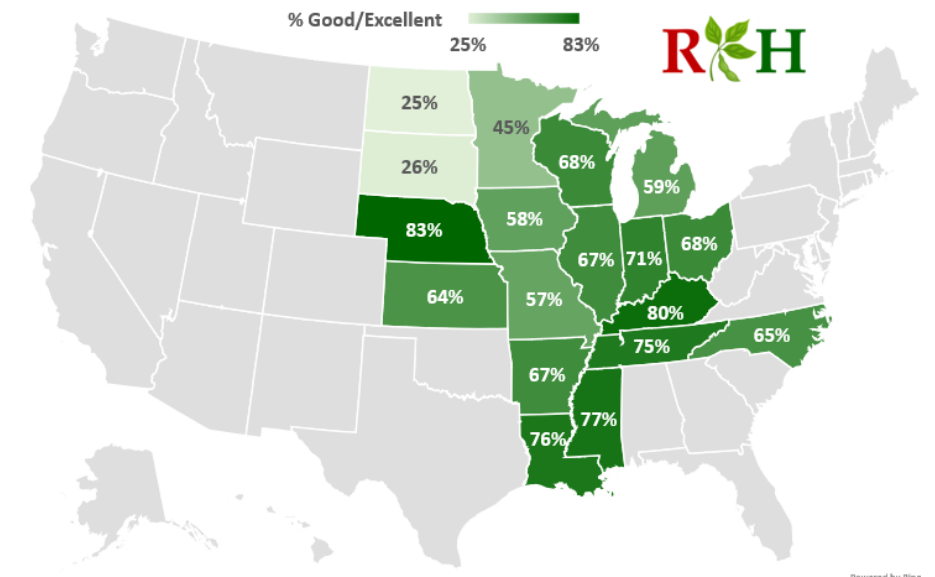


U.S. Aggregate	64%
Last Week	65%
Last Year	73%
Average	70%

Source: NASS



SOYBEAN CONDITIONS - AS OF 06/27/2021



U.S. TOTAL	60%
Last Week	60%
Last Year	71%
Average	66%

Source: NASS





INTERNATIONAL AGRICULTURE

USA QUARTERLY GRAIN STOCKS

Quarterly Grain Stock (Billion bushels)				
	1 June '21	Trade Expectations	1 March '21	1 June '20
Corn	4,122	4,144	7,696	5,003
Sojabone	0,767	0,787	1,562	1,381
Koring	0,844	0,859	1,311	1,028

Planted Acres (Millions)				
	June '21	Trade Expectations	March Prospective Plantings	USDA '20
Mize	92,692	93,787	91,144	90,819
Soybeans	87,555	88,955	87,6	83,084
Wheat	46,743	46,940	46,358	44,394

Soybean planted acres were below market expectations, at 87,555 million acres, and below the intentions indicated in March.

The quarterly grain stock for soybeans was also lower than trade expectations at 767 million bushels, the lowest for June - since 2014.

The USDA's planted acres figures also came in below market expectations for corn at 92,692 million acres.

Although the maize plantings were below market expectations, they are still higher than the March planting intentions by just under 2%.

The quarterly grain stock for corn was also lower than expected at 4,144 billion bushels, the lowest for June - since 2014.



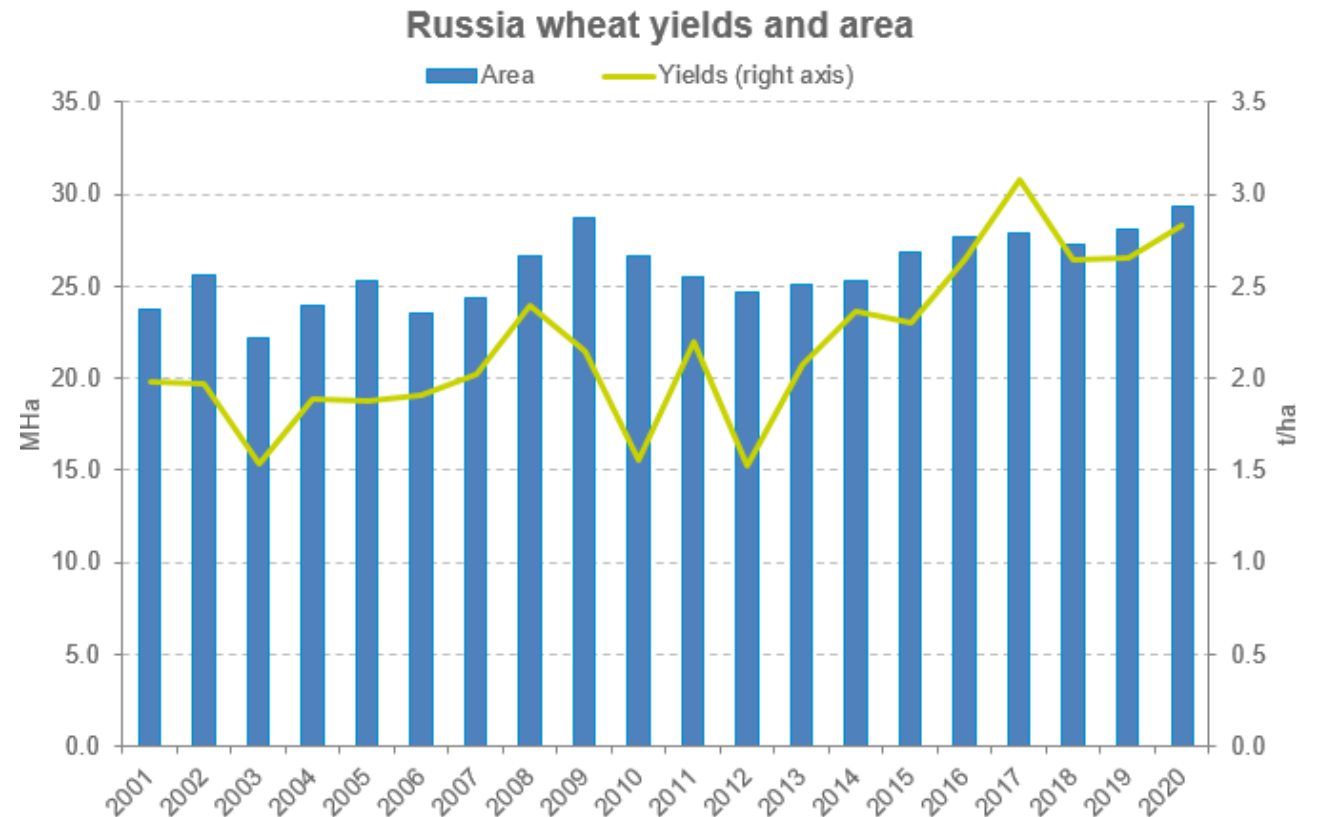
INTERNATIONAL AGRICULTURE

RUSSIA

Russian agriculture consultancy IKAR raised its forecast for the Russian wheat crop for 2021 from 82 million tons to 83,6 million tons. IKAR also predicts Russia's wheat exports at 38,7 million tons despite Russia's wheat export tax, which Moscow introduced on 2 June. The export tax is fluctuating weekly and has risen to \$41.30 per ton.

The wheat market is currently under pressure after Russia started its wheat harvest this week, expecting a bumper crop after a good rain season. Russian wheat export prices were mostly unchanged last week, supported by improving crop forecasts ahead of the start of the new marketing season, analysts said on Monday.

Expectations are that wheat exports from Russia, Ukraine, and Kazakhstan will rise by 5% in the new 2021/22 marketing season, which commenced on 1 July, as a Reuters poll showed earlier this month.





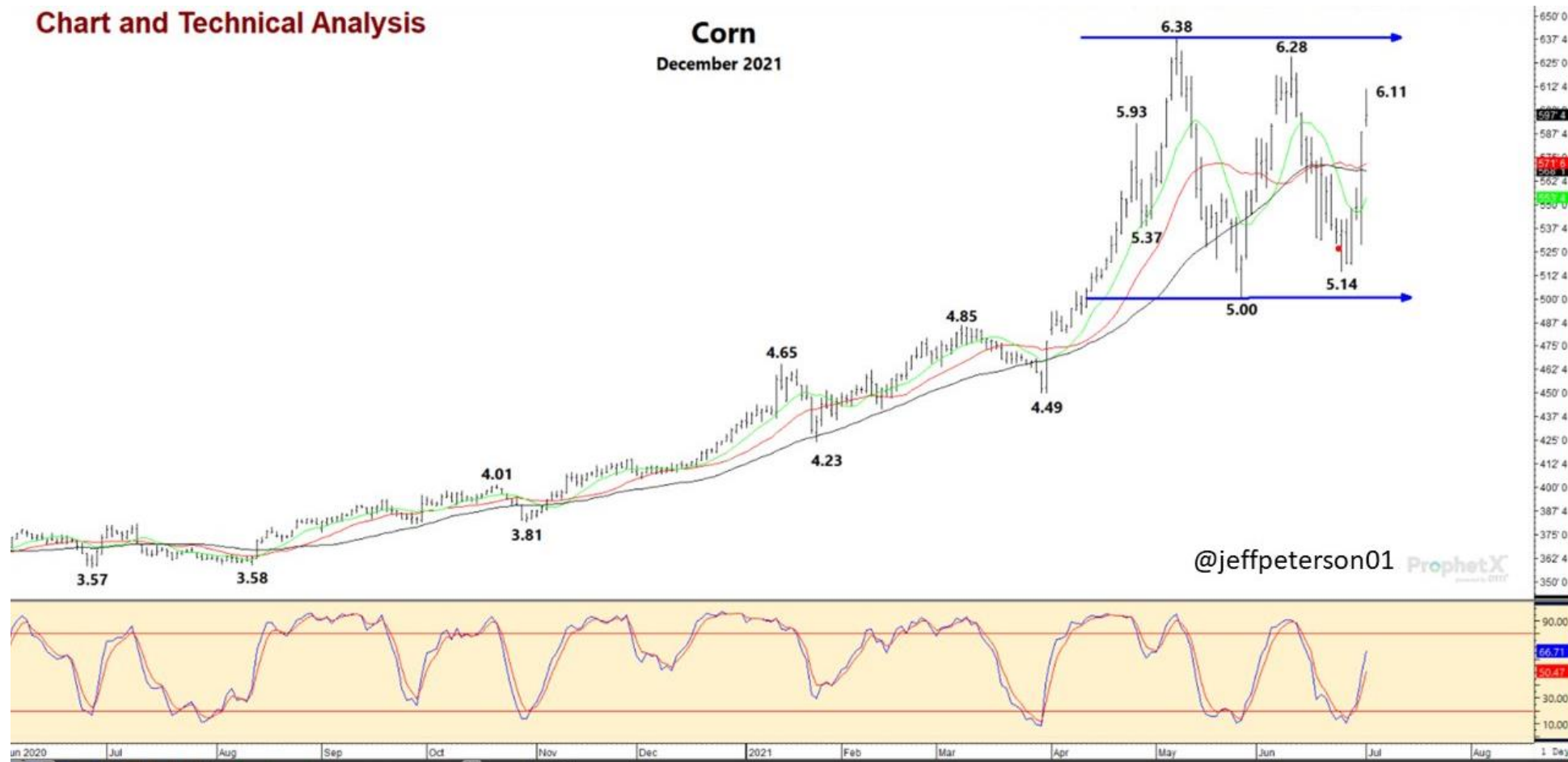
CBOT-CORN



CBOT-CORN NOVEMBER

- The corn market experienced a positive week and is trading above the moving averages.
- The interim trend is sideways and a bit volatile.
- The short-term trend has turned upwards.

Chart and Technical Analysis





CBOT-SOYBEANS

CBOT-SOYBEANS NOVEMBER

- Soybeans rallied this week and is currently trading above the moving averages.
- The interim trend is sideways with the market staying relatively volatile.
- The short-term trend has turned upward.

Chart and Technical Analysis





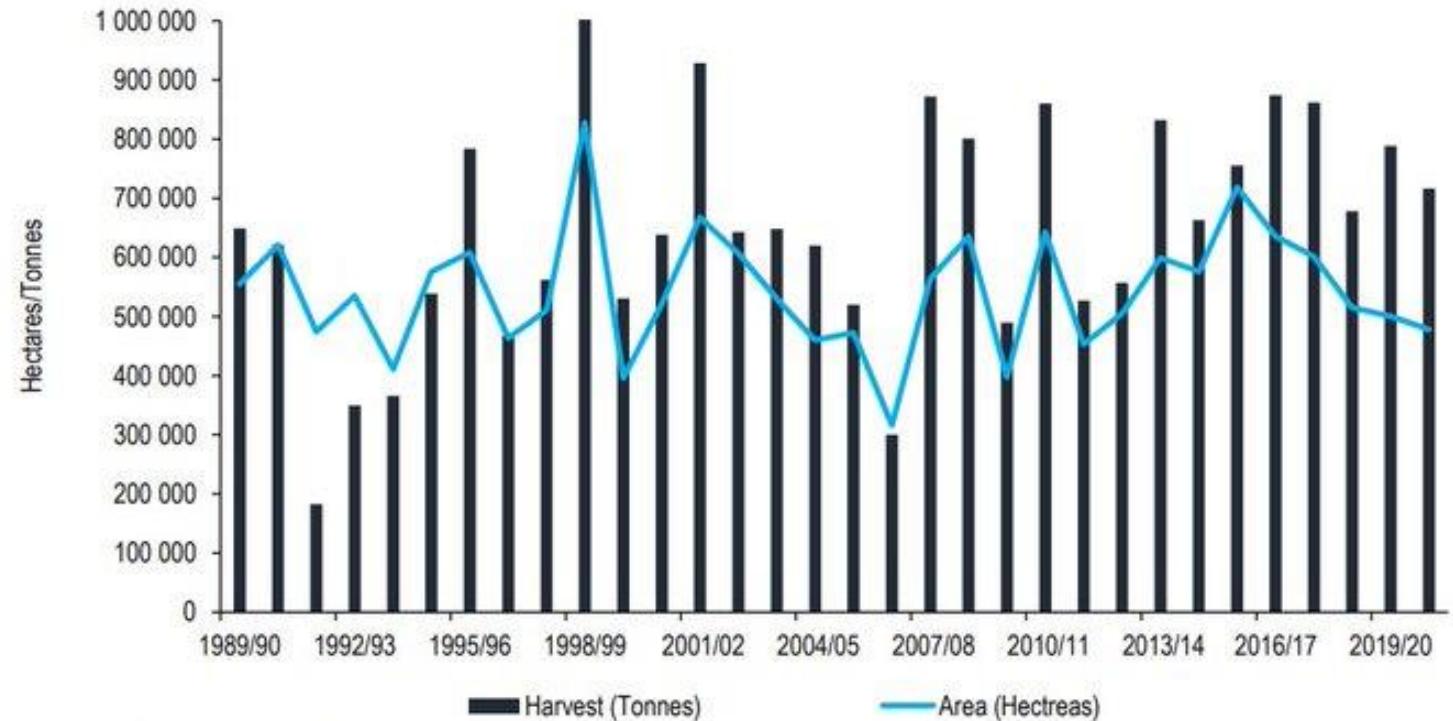
NATIONAL AGRICULTURE

SUNFLOWERSEED

South Africa is already a net importer of sunflower oils, importing an average of 197 342 tons per year. Unlike other domestic summer crops increasing post a good crop year, the expectation is that sunflower seed production will be 9% lower than last year. Thus probably requiring higher sunflower oil imports in the upcoming year.

South Africa's sunflower seed harvest process is in full swing, with farmers having delivered 525 911 tons of sunflower seeds to commercial silos in the first 17-weeks of the 2021/22 marketing year, equalling 77,6% of the expected harvest of 677 240 tons.

South Africa's sunflower seed production



Source: SAGIS and Agbiz Research



NATIONAL AGRICULTURE

PRODUCER DELIVERIES FOR 2020/21 SEASON

Maize	WM1	WM2	WM3	WMO	White Maize Total (ton)	YM1	YM2	YM3	YMO	Yellow Maize Total (ton)	Grand Total
Producer deliveries from 1 May until 25 Jun	4 189 305	170 431	14 076	395	4 374 207	4 147 528	105 566	986	5 968	4 260 048	8 634 255
Fifth production forecast					8 936 815					7 295 800	16 232 615
Difference -outstanding					-4 562 608					-3 035 752	-7 598 360

Oilseeds	Sunflower seed total (ton)	Soyabeans total (ton)
Producer deliveries from 27 Feb until 25 Jun	525 911	1 787 429
Fifth production forecast figure	677 240	1 918 150
Difference	-151 329	-130 721

Resource: SAGIS

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



EXCHANGE RATE

USD/ZAR



The USD/ZAR is currently trading between a low resistance of R14,14 and a high of R14,36. The South African Rand continues to face bearish pressure after the government reinstated tighter COVID-19 restrictions. These restrictions could hamper attempts to recover the South African economy, which was already floundering before the first COVID-19 restrictions in 2020. Traders are also reacting to the sentencing of former South African President Jacob Zuma of 15-months in prison for contempt of court, while undergoing corruption charges. The Rand is also facing pressure from a resurgent US Dollar, which has gained strength after the Federal announcement on the 16th of June.





TRADER SNAPSHOT

USA MAIZE PLANTINGS - HISTORICAL



The main maize harvest development currently being monitored in the United States is the Safex price incentive. The two indicators the US market is watching are weather conditions and the number of planted acres.

Commodity price buys acres – studying the USA's maize cultivation over the last ten years proves it.

American maize cultivation for the past ten years

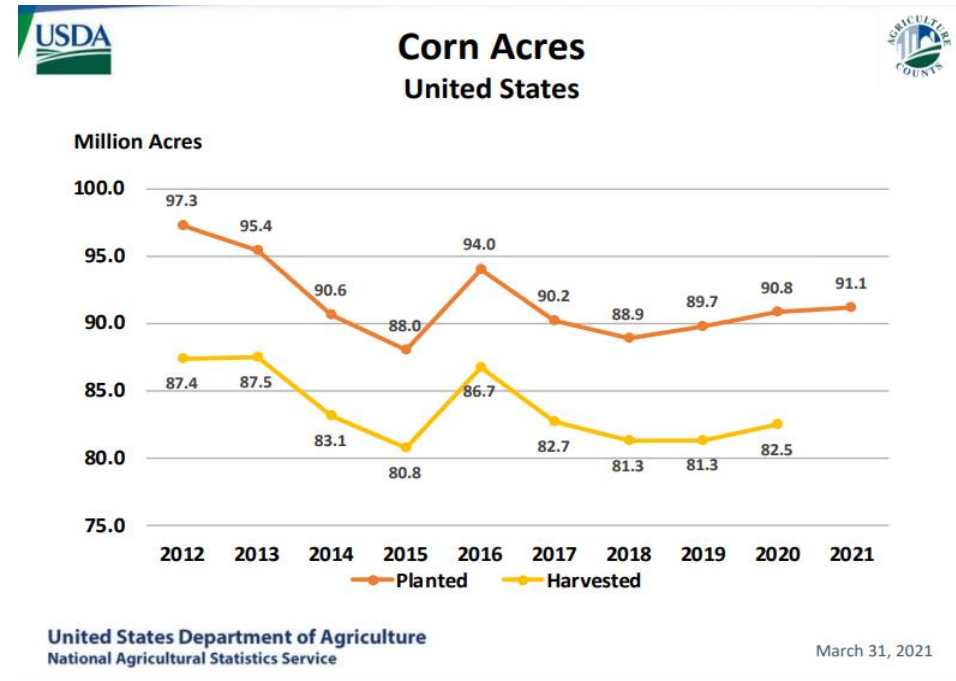
In the last ten years, there were only two years (2012 and 2013) recording maize plantings of more than 91 million acres and a CBOT maize price above \$5 per bushel. The CBOT price did not trade above \$4 per bushel from 2014 to 2020. During this period, plantings were never more than 91 million acres, except in 2016, at 94 million planted acres. The increased maize cultivation in 2016 was because of the previous year's extreme drought that led to the low stock levels in the USA.

Maize cultivation and the CBOT price in 2021

We predict that America will plant a lot more maize this year as a result of CBOT prices shooting up above \$7 per bushel. The market estimated the expected plantings at 93 million plus acres for 2021. However, the USDA surprised us with a figure of 92,7 million acres. The CBOT market consequently leaped upwards after the introduction of the report.

This development reminds us of the American saying, "It is not what you sow, but what you grow."

Our focus will now shift from planted acres to rain predictions across the corn belt next month.

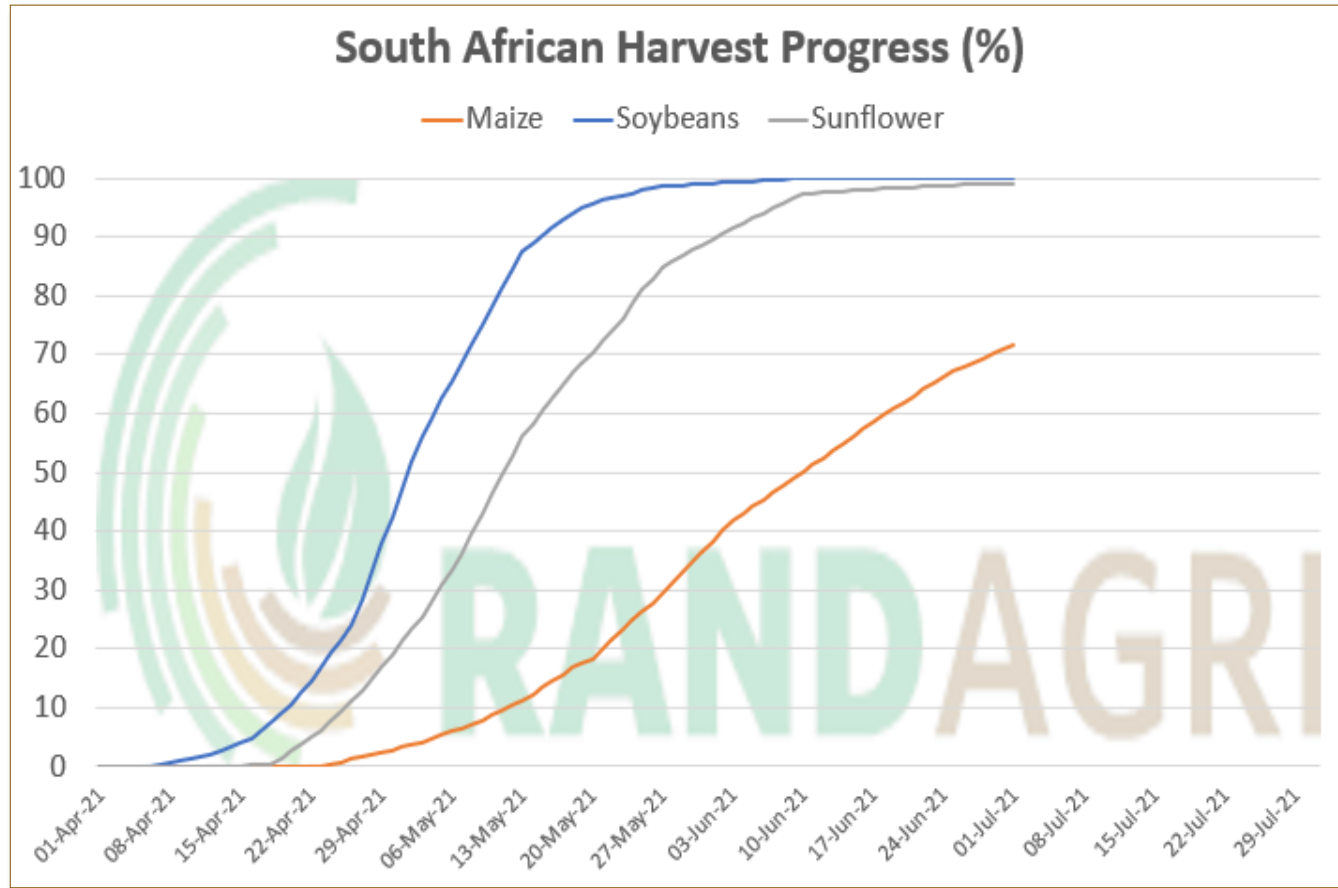



This overview was compiled by Ampie Rossouw, Rand Agri



FIELD AGENT OVERVIEW

SOUTH AFRICAN HARVEST PROGRESS (%)



SAF HARVEST PROGRESS 1 JUL 2021 (%) 

REGION	Maize	Soy	Suns
North West (West)	66	100	100
North West (East)	55	100	100
Free State (West)	76	100	100
Free State (East)	63	100	100
Mpumalanga (North)	86	100	n/a
Mpumalanga (South)	87	100	n/a
SAF TOTAL	72	100	99



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.



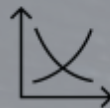
Logistics including sourcing, storage, export and delivery of grains and agricultural lime directly to customers.



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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