

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

**DATE:** 23 July 2021





## WEATHER

- USA international weather forecast
- USA drought monitor
- USA grain production in drought areas



## PARITIES

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



## INTERNATIONAL AGRICULTURE

- Brazil harvest tempo
- USA plant progress
- China: agricultural imports
- Brazil: 2020/21 production forecast
- CBOT



## NATIONAL AGRICULTURE

- Agricultural rising input cost



## EXCHANGE RATE

- Overview – USD/ZAR



## RAND AGRI SNAPSHOT

- Trader snapshot: producer deliveries



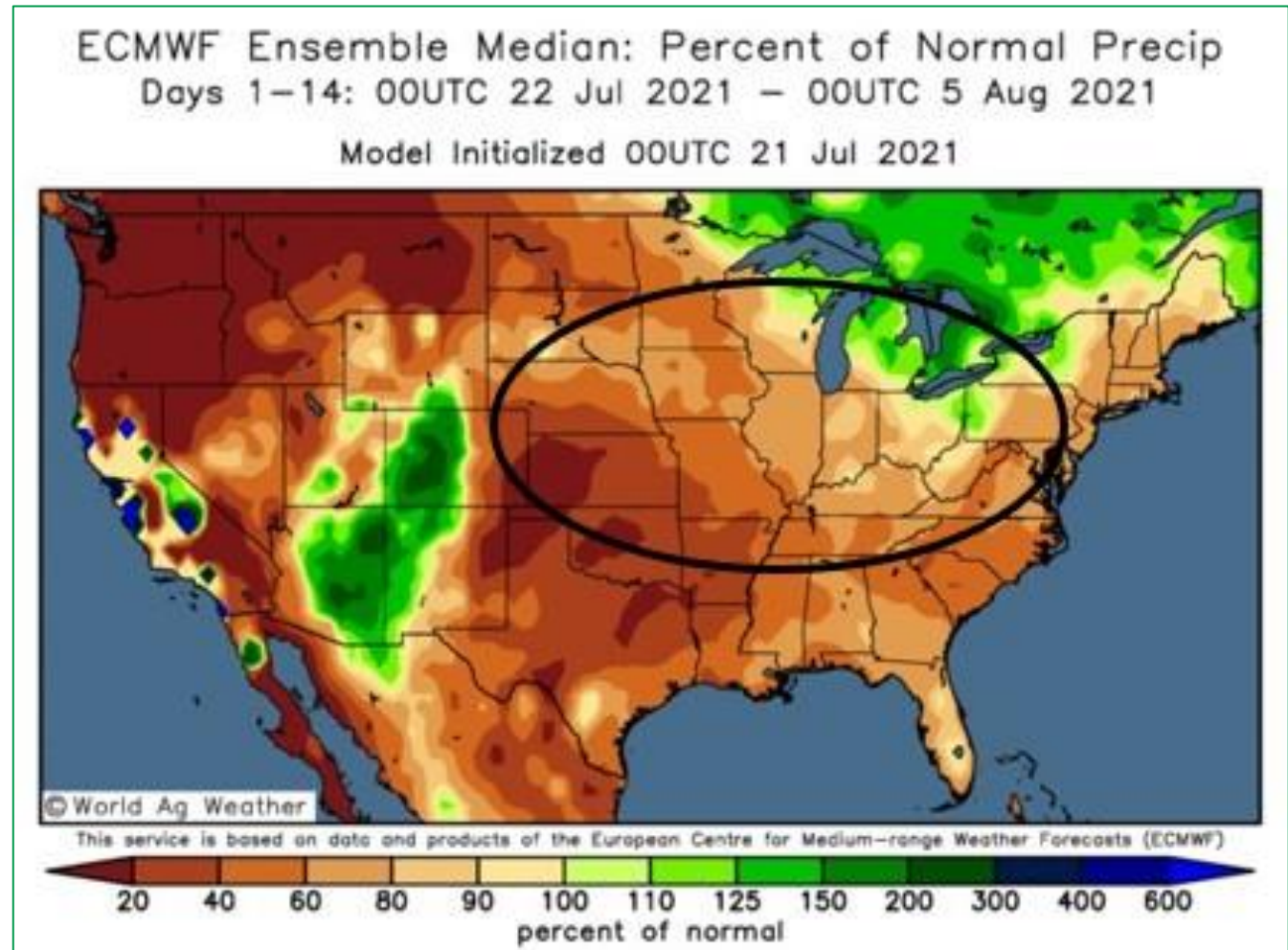


# INTERNATIONAL WEATHER

## USA WEEKLY FORECAST:

The precipitation forecast for the next 14 days is below the normal range for the entire corn belt.

Temperatures, warmer than normal, are expected, which could get more acute. The drought is already affecting the Midwest.



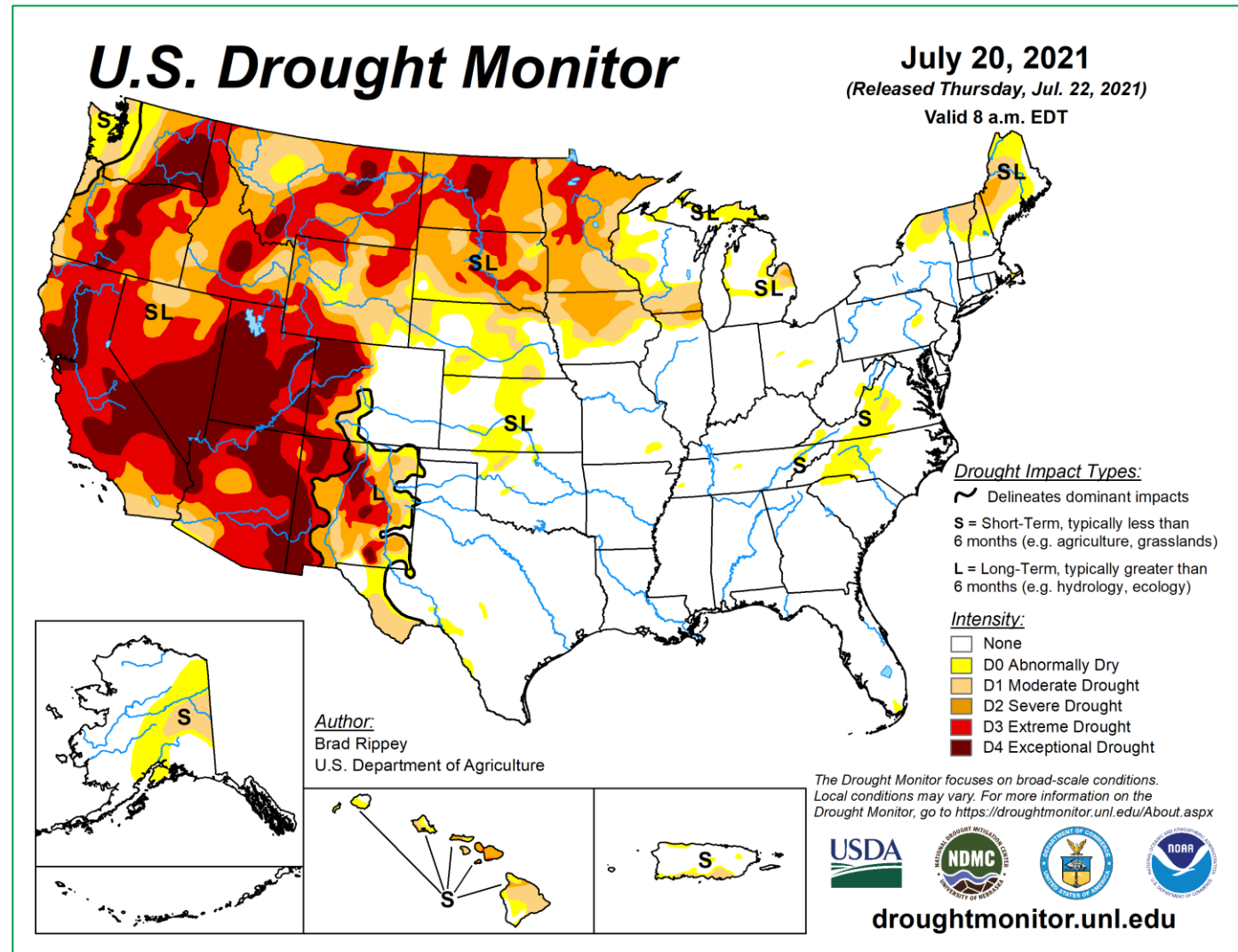


# INTERNATIONAL WEATHER

## USA DROUGHT MONITOR:

The drought monitor this week indicates slight relief in Minnesota.

Most of North and South Dakota is still in severe drought, with moderate to severe drought in Iowa and Minnesota.





# INTERNATIONAL WEATHER

## USE GRAIN PRODUCTION IN DROUGHT AREAS:

WHEAT PRODUCTION DURING DROUGHT		
STATE	SHARE OF TOTAL PRODUCTION	PERCENTAGE CURRENTLY IN DROUGHT
North Dakota	49%	100%
Minnesota	18%	100%
Montana	13%	89%
Idaho	8%	100%
South Dakota	5%	94%

CORN PRODUCTION DURING DROUGHT		
STATE	SHARE OF TOTAL US PRODUCTION	PERCENTAGE CURRENTLY IN DROUGHT
Iowa	17%	67%
Minnesota	10%	98%
South Dakota	5,4%	98%
Wisconsin	4%	58%
North Dakota	3%	100%

SOYBEAN PRODUCTION DURING DROUGHT		
STATE	SHARE OF TOTAL U.S. PRODUCTION	PERCENTAGE CURRENTLY IN DROUGHT
Iowa	13%	63%
Minnesota	9%	99%
South Dakota	6%	98%
North Dakota	6%	100%
Wisconsin	2%	52%

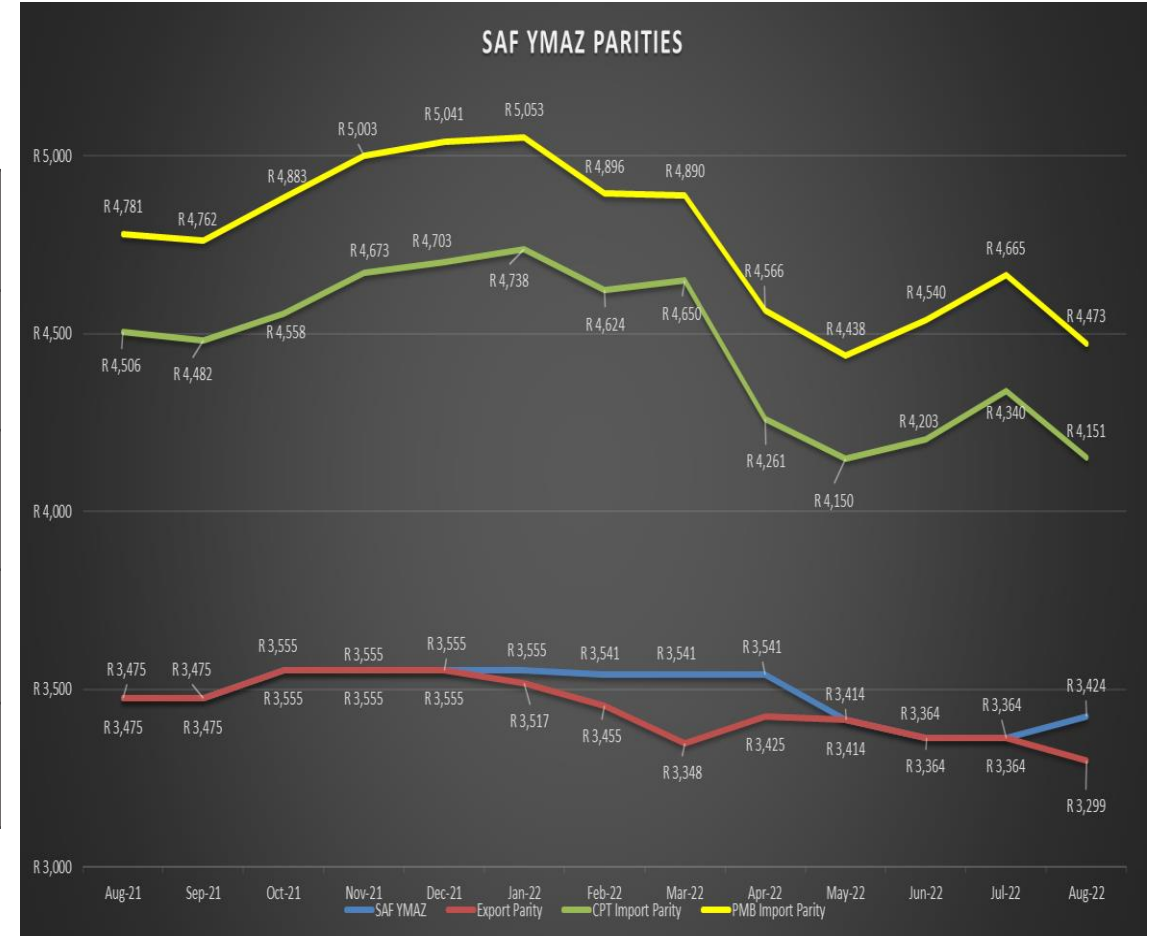


# PARITIES



## YELLOW MAIZE IMPORT & EXPORT

	Sept'21	Dec'21	Mar'22	Jul'22
PMB-import parity	R4 762	R5 041	R4 890	R4 665
CPT-import parity	R4 482	R4 703	R4 650	R4 340
SAFEX-yellow maize	R3 475	R3 555	R3 541	R3 364
DBN-export parity	R3 475	R3 555	R3 348	R3 364





# PARITIES

## IMPORT PARITY PRICES OF OILSEEDS

As on the 20<sup>th</sup> of July 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	566.00	543.00	559.00	599.00	685.00	Freight Rates
Assuransie (0.3% van VAB)		55.00	53.00	44.00	49.00	60.00	Insurance (0.3% of FOB)
1 KOSTE, ASSURANSIE EN VRAG (KAV) \$/T		1.70	1.63	1.68	1.80	2.06	1 COST, INSURANCE AND FREIGHT (CIF) \$/T
Omskakel na R/t		622.70	597.63	604.68	649.80	747.06	Converted to R/t
R/\$ Wisselkoers op: 2021/07/20	c	14.5520	14.5520	14.5520	14.5520	14.5520	R/\$ Exchange rate on: 2021/07/20
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	9061.53	8696.71	8799.30	9455.89	10871.22	Financing cost
3 KOSTE, ASSURANSIE, VRAG EN FINANSIERING R/t		52.13	50.04	50.63	54.40	62.55	3 COST, INSURANCE, FREIGHT AND FINANCING R/t
Aflaaikoste: Durban	e, f	9113.66	8746.75	8849.93	9510.29	10933.77	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		658.91	632.14	650.77	0.00	0.00	4 FREE ON RAIL (FOR) R/t: Durban
Spoorvragkoste	h	9977.52	9583.84	9705.65	9730.24	11153.72	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		10217.22	9823.54	9945.35	9969.94	11393.42	- Durban to Randfontein R/ton

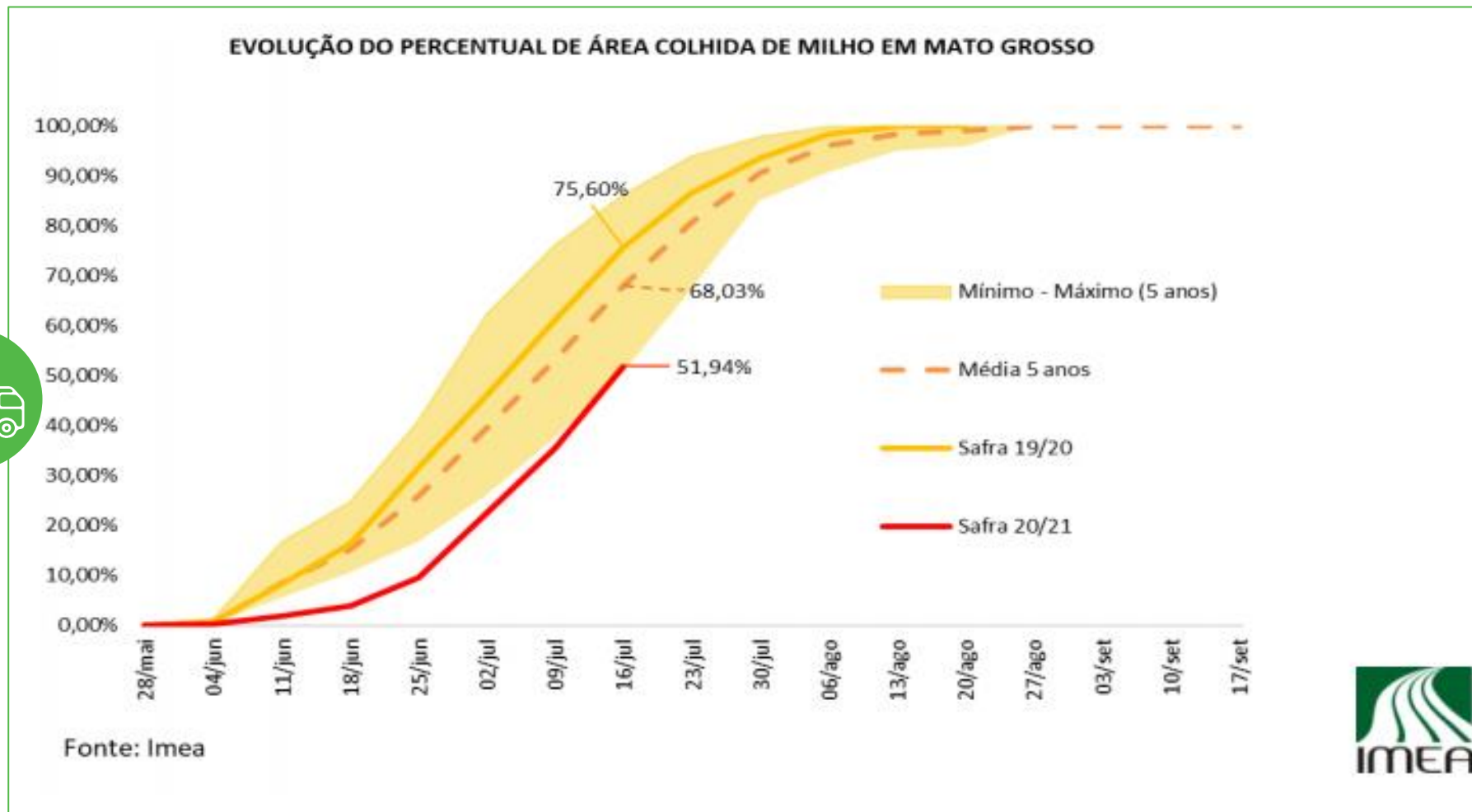
# AGRICULTURE

## BRAZIL

### Corn harvest tempo

In all of Brazil only 30% of the corn has been harvested, compared to 43% last year.

In Mato Grosso, 51,9% of the Safrinha corn has been harvested. This is far below last years tempo of 75,6% and the 5-year average of 68%.









# INTERNATIONAL AGRICULTURE

## CHINA'S SOYBEAN IMPORTS - JUNE

China's agricultural imports surged the first six months of 2021, compared to last year.

China imported a record 48,96 million ton soybeans in the first half of 2021, up almost 9% from the same period last year's high.

China's corn imports, for the first six months of the year are up 319% from last year with 15,3 million tons imported.

Wheat imports for the year to date are 60% more than last year at 5,37 million tons.

### China's Agriculture Imports 2021

*(thousands of tonnes)*

	June	YOY	Jan-Jun	YOY
Wheat	750	(17%)	5,370	+60%
Corn	3,750	+305%	15,300	+319%
Barley	1,000	+100%	5,650	+131%
Pork	340	(14%)	2,300	+8.5%
Sugar	420	+2%	2,030	+63%
Sorghum	1,100	+61%	4,790	+169%
Soybeans	10,720	(4%)	48,960	+9%

Data sources: China Customs; Reuters

@kannbwx



# INTERNATIONAL AGRICULTURE

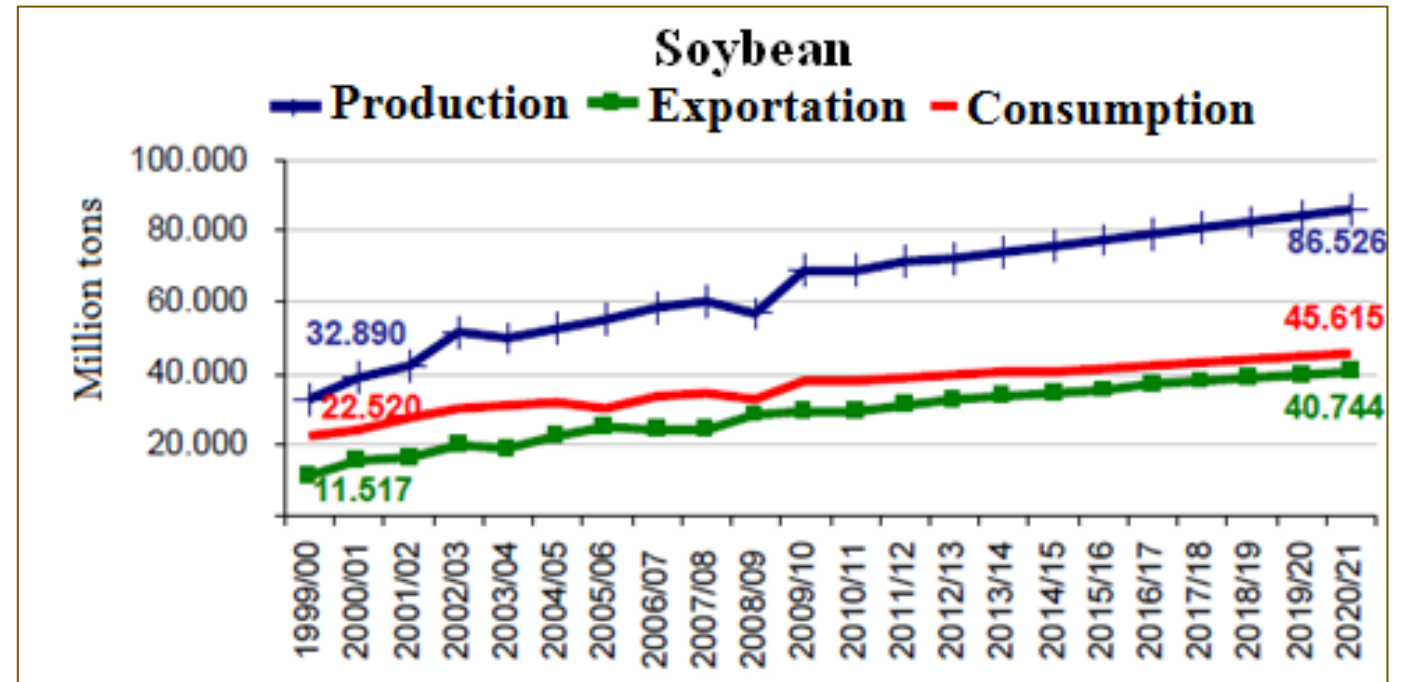
## 2021/22 BRAZIL CROP ESTIMATE

Safras & Mercado released their first estimates for the 2021/22 soybean and corn crops in Brazil.

The soybean acres estimate were 2,3% higher than last year at 39,82 million hectares, a production increase of 3,7% to 142.2 million tons.

First crop corn acreage is estimated to increase with 1,2% to 4,4 million hectares, with production at 25,6 million tons. The second crop (safrinha corn) acreage estimation was 14,4 million hectares (35,5 million acres), with an 8,8 million ton production. Bringing Brazil's total corn production for 2021/22 to an estimated 122,6 million tons, compared to their current estimate of 90,4 million tons for the 2020/21 crop.

Read more: [Brazil crop estimate](#)



Production, exportation and consumption of soybean from Brazil

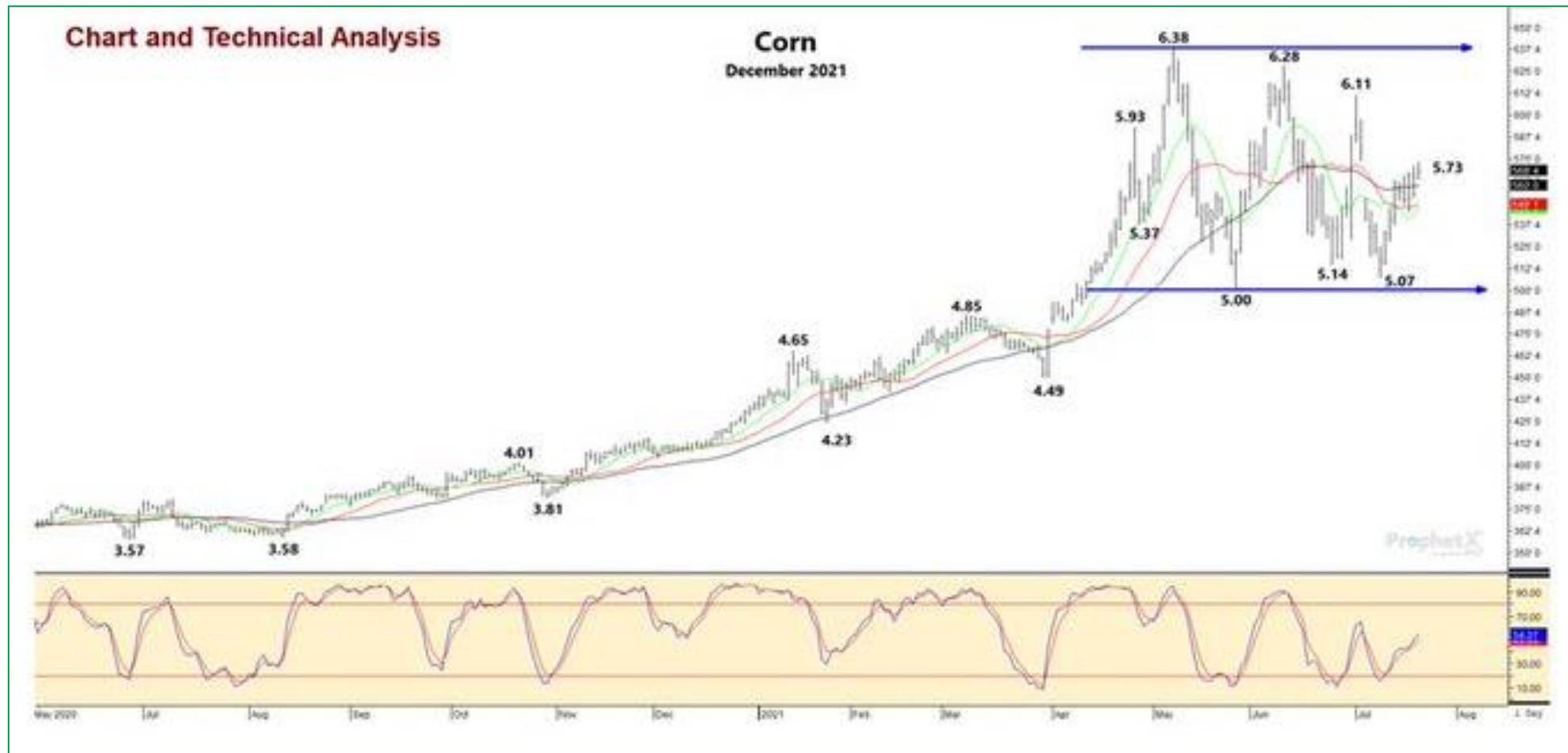
Source: *Brasil Projeções do Agronegócio 2010/2021* – Ministério da Agricultura Pecuária e Abastecimento



# CBOT-CORN

## CBOT-CORN DECEMBER

- Corns is currently trading on it's initial overhead resistance is at \$5,73.
- Corn is trading in a slight uptrend.



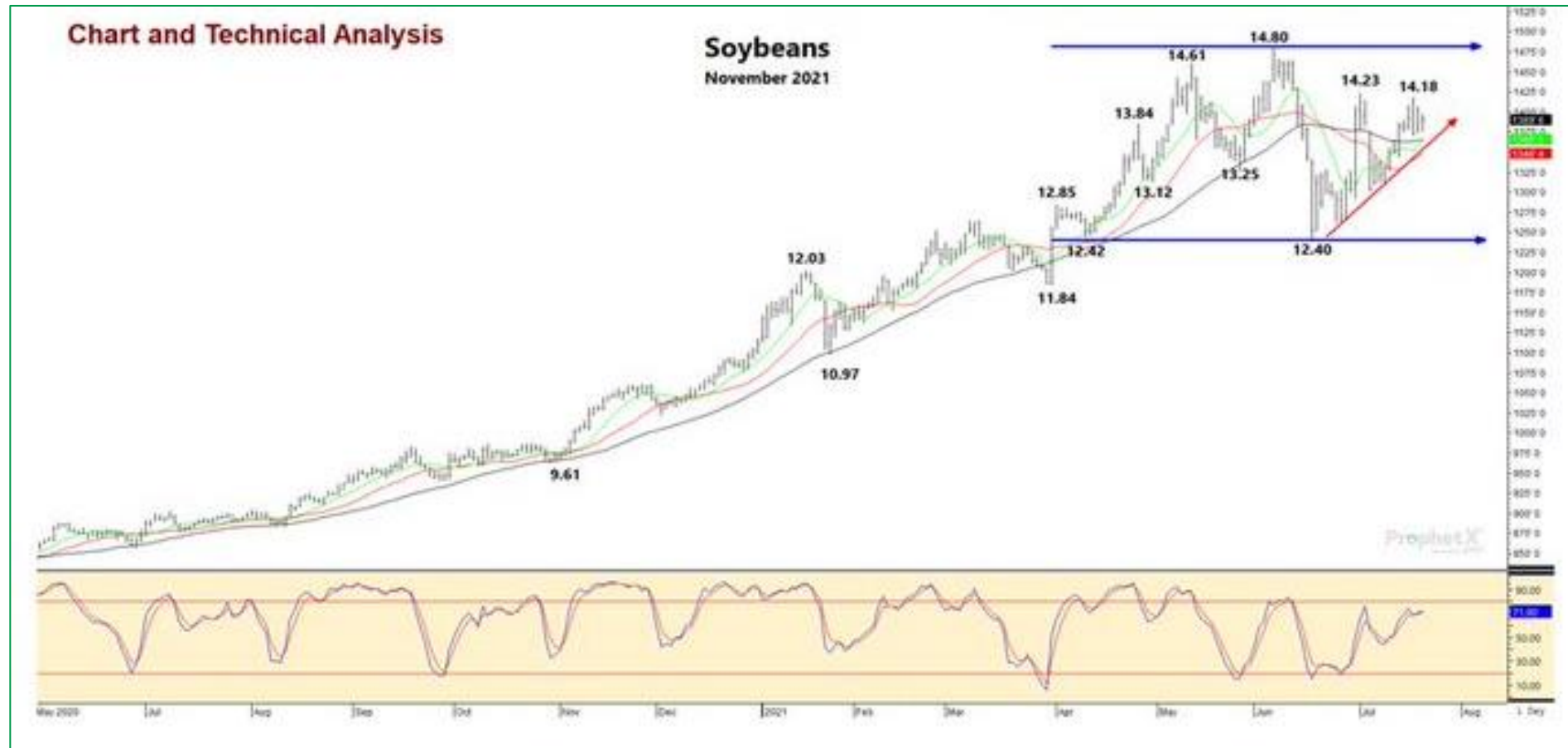


# CBOT-SOYBEANS

## CBOT-SOYBEANS NOVEMBER



- Soybean prices increased this week and broke through its overhead resistance for soybeans at \$14.
- Soybeans are currently trading in an uptrend





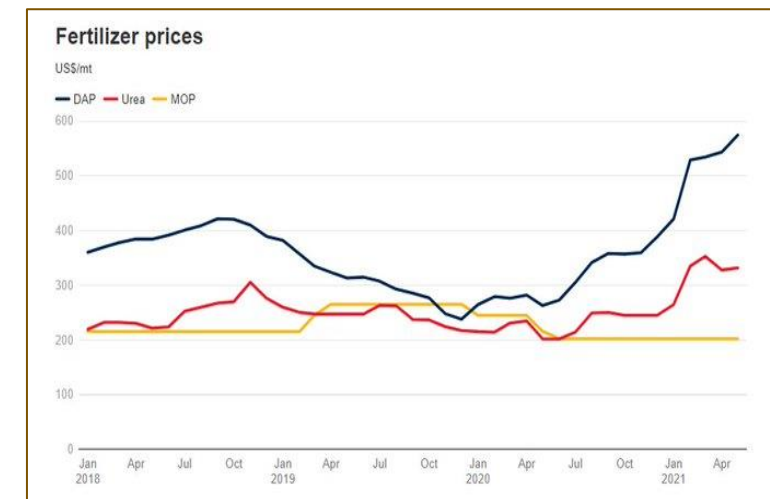
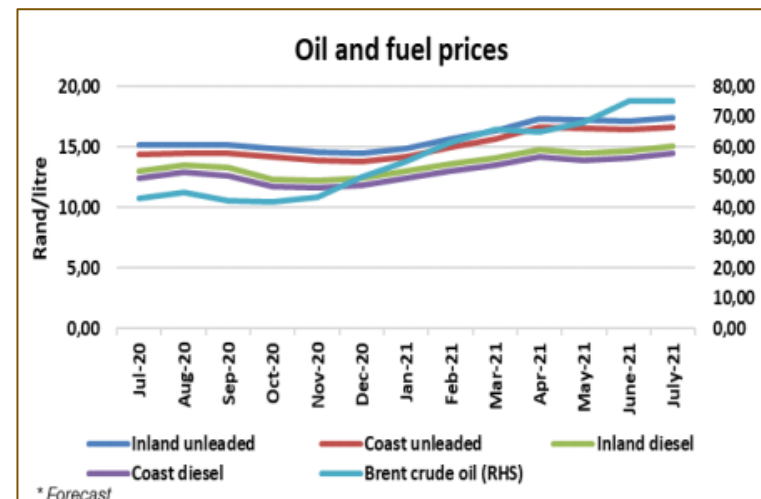
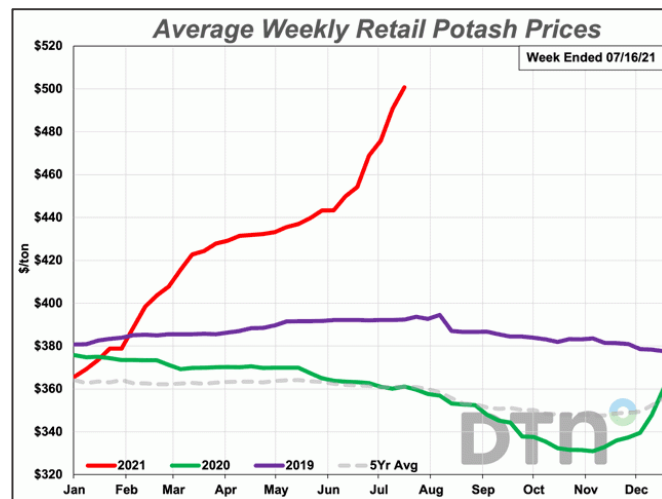
# NATIONAL AGRICULTURE

## INPUT COSTS RISING

Amid an abundant 2020/21 harvest year, farmers, especially grain and oilseed farmers, need to manage their portfolios well, as input costs such as oil, herbicides, and fertilizers have risen drastically. The increases could put serious pressure on farmers in the coming season in terms of production costs.

- The oil price is worrying, as Brent crude oil has already risen 72% since last year and is currently trading at around \$ 74 a barrel.
- Herbicides such as glyphosate have risen in price by 144% in the past year.
- Fertilizer prices such as potash, urea, mono-ammonium phosphate (MAP), and diammonium phosphate (DAP) are 32%, 52%, 67%, and 69% higher than last year, respectively.
- Unfortunately, South Africa imports most of the country's agricultural chemicals, which means that a stronger dollar could affect prices even more. South Africa imports about 80% of the country's annual fertilizer needs.
- The rise in prices is unfortunately not the only concern. The logistics of importing on the back of disruptions in supply chains and continuous reports of container shortages could also affect prices.

Read more: [Rising Cost](#) and [Standard Bank field report](#)





# EXCHANGE RATE

## USD/ZAR



The South African Reserve Bank (SARB) policy decision has left the repo rate unchanged at 3,5%. The USD/ZAR is holding ground around the R14,72 mark just under the overhead resistance levels that had successfully called a halt to the Rand's sell-off last week, which include the 200-day moving-average of the exchange rate at 14,77 and the 61.8% Fibonacci retracement. The USD/ZAR remains under pressure as the US Dollar trades near its highest level since early April.





# TRADER SNAPSHOT

## 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 till 16 July	5 307 400	221 443	17 162	528	5 546 533	4 916 386	134 788	1 780	6 352	5 059 306	10 605 839
<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>-3 390 282</b>					<b>-2 236 494</b>	<b>-5 626 776</b>

Oilseeds	Sunflower seed Total (ton)	Soyabean Total (ton)
Producer deliveries from 27 Feb till 16 July	619 896	1 806 429
<b>Fifth production forecast</b>	<b>677 240</b>	<b>1 918 150</b>
<b>Difference -outstanding</b>	<b>-57 344</b>	<b>-111 721</b>

Resource: SAGIS

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





# 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.



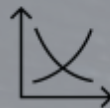
Logistics including sourcing, storage, export and delivery of grains and agricultural lime directly to customers.



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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