

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

**DATE:** 9 July 2021





## WEATHER

- USA international weather forecast
- USA 30-day rainfall



## PARITIES

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



## INTERNATIONAL AGRICULTURE

- North American Plant progress
- Brazil corn production
- China corn production
- CBOT



## NATIONAL AGRICULTURE

- South-African 2020/21 production forecast
- Foot and mouth disease breakout in KwaZulu-Natal



## EXCHANGE RATE

- Overview – USD/ZAR



## RAND AGRI SNAPSHOT

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



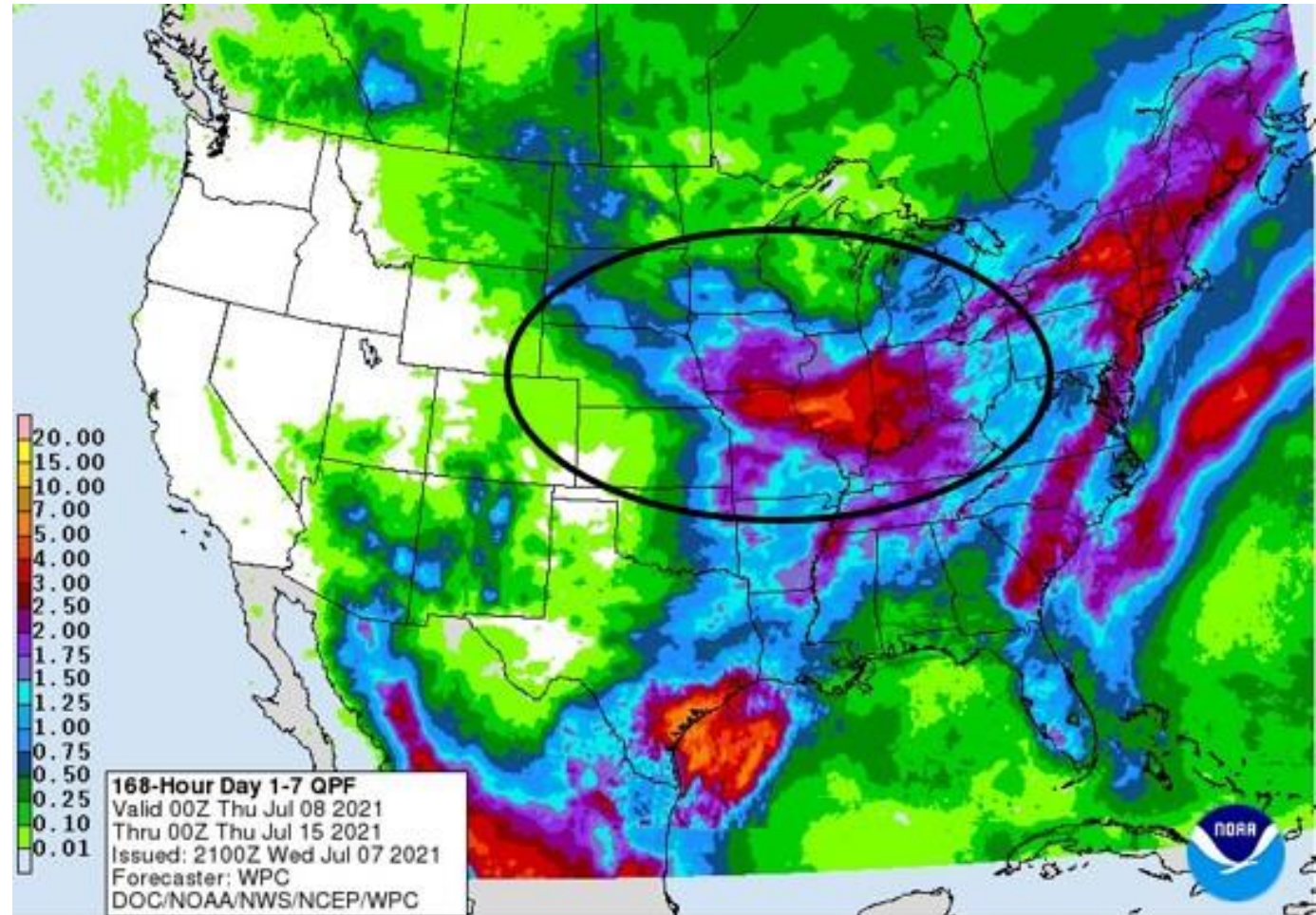


# INTERNATIONAL WEATHER

## USA WEEKLY FORECAST:

Rain is expected over the corn belt from Friday into next week.

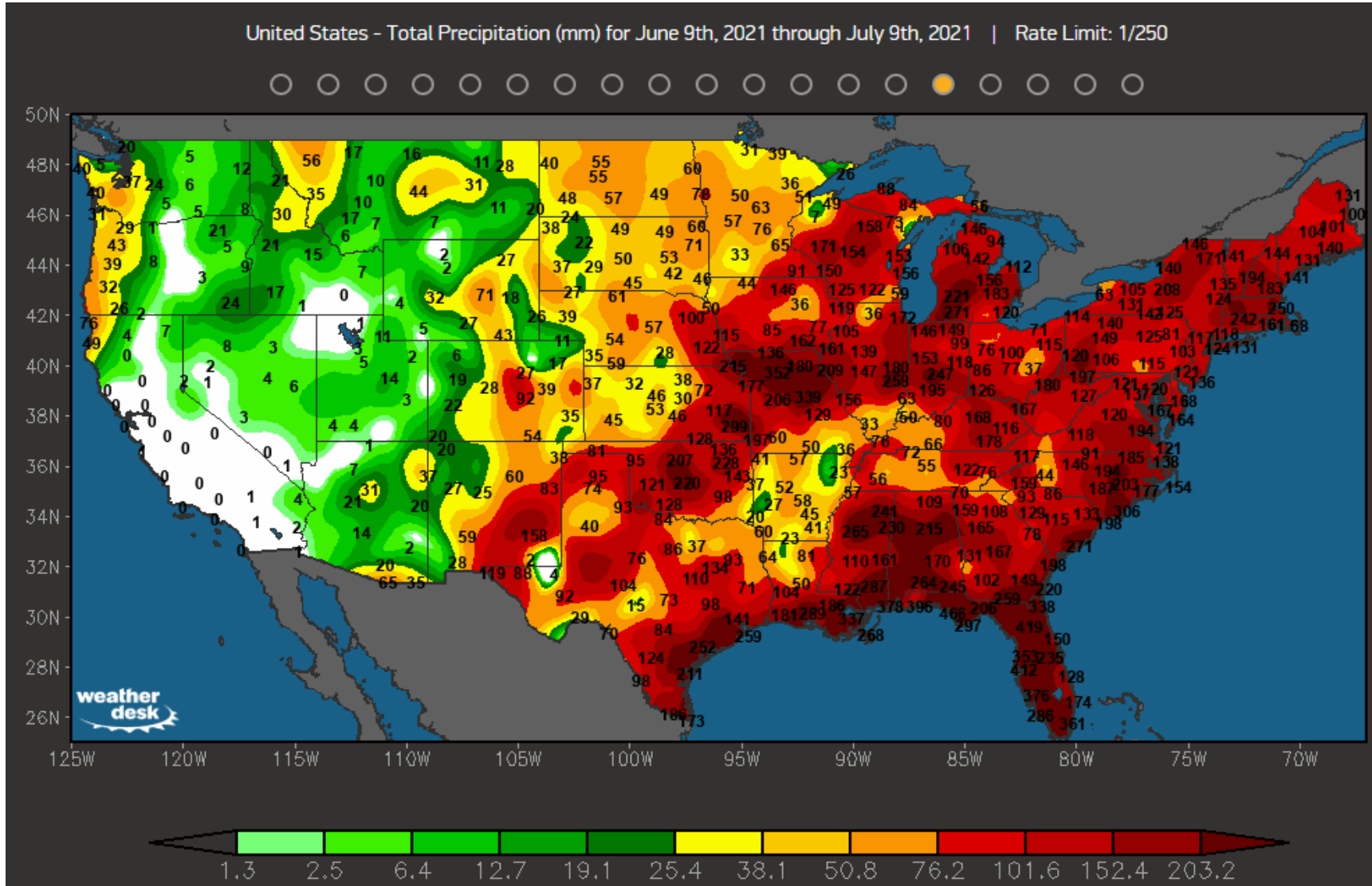
The drought-stricken areas in the Midwest, including North and South Dakota, as well as Minnesota and Iowa are also expecting rain in the coming week.





# INTERNATIONAL WEATHER

## USA 30 DAY RAINFALL



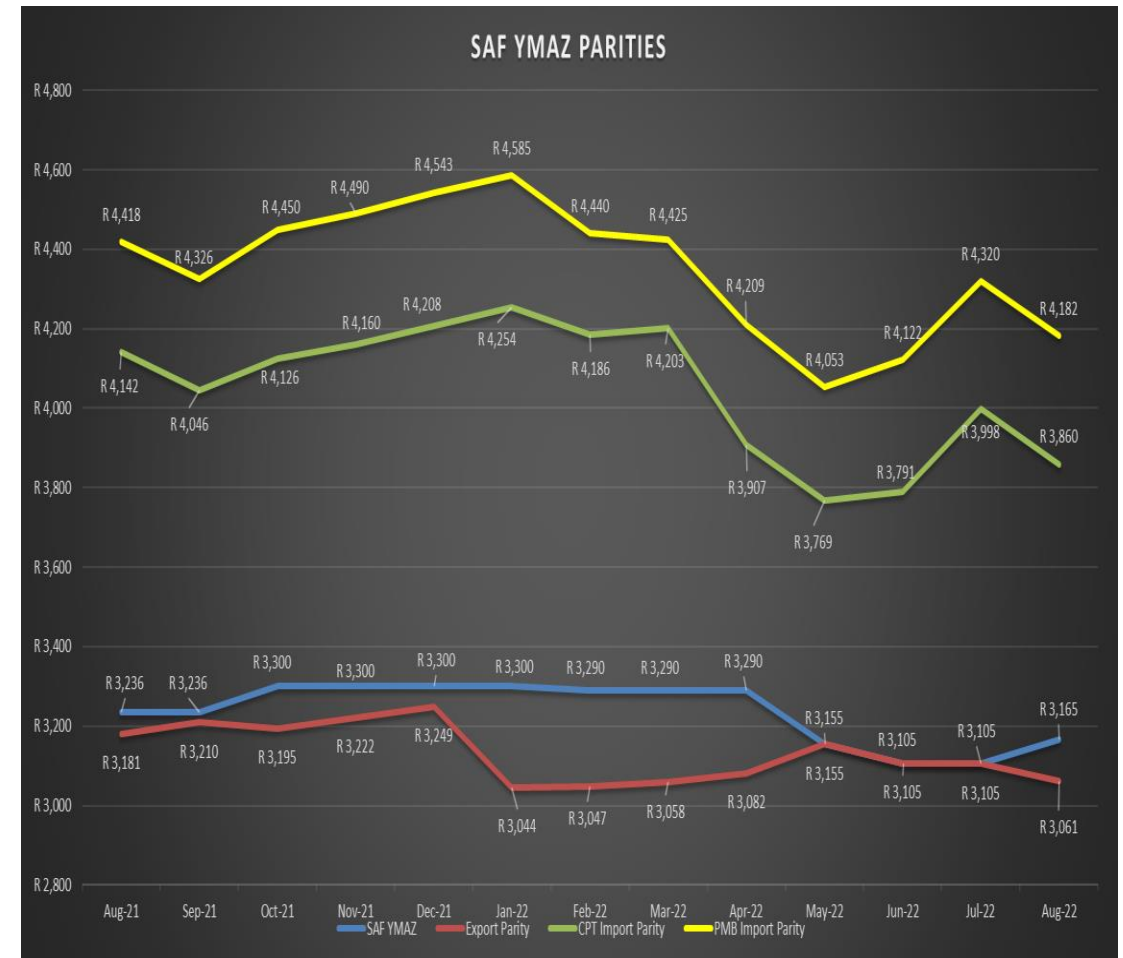


# PARITIES



## YELLOW MAIZE IMPORT & EXPORT

	Sept'21	Dec'21	Mar'22	Jul'22
PMB-import parity	R4 326	R4 543	R4 425	R4 320
CPT-import parity	R4 046	R4 208	R4203	R3 998
SAFEX-yellow maize	R3 236	R3 300	R3 290	<b>R3 105</b>
DBN-export parity	R3 181	R3 249	R3 058	<b>R3 105</b>





# PARITIES

## IMPORT PARITY PRICES OF OILSEEDS

As on the 6<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	530.00	506.00	525.00	572.00	685.00	Freight Rates
Assuransie (0.3% van VAB)		50.00	52.00	44.00	45.00	55.00	Insurance (0.3% of FOB)
1 KOSTE, ASSURANSIE EN VRAG (KAV) \$/T		1.59	1.52	1.58	1.72	2.06	1 COST, INSURANCE AND FREIGHT (CIF) \$/T
Omskakel na R/t		581.59	559.52	570.58	618.72	742.06	Converted to R/t
R/\$ Wisselkoers op: 2021/07/06	c	14.2376	14.2376	14.2376	14.2376	14.2376	R/\$ Exchange rate on: 2021/07/06
2 KOSTE, ASSURANSIE EN VRAG (KAV) R/t		R/t	R/t	R/t	R/t		2 COST, INSURANCE AND FREIGHT (CIF) R/t
		8280.45	7966.22	8123.69	8809.09	10565.15	
Finansieringskoste	d	47.64	45.83	46.74	50.68	60.79	Financing cost
3 KOSTE, ASSURANSIE, VRAG EN FINANSIERING R/t		8328.09	8012.05	8170.43	8859.77	10625.94	3 COST, INSURANCE, FREIGHT AND FINANCING R/t
Aflaaikoste: Durban	e, f	204.95	204.95	204.95	219.95	219.95	Discharging cost: Durban
Invoertarif:	g	603.67	576.34	597.98	0.00	0.00	Import Tariff:
4 VRY OP SPOOR (VOS) R/t: Durban		9136.71	8793.34	8973.36	9079.72	10845.89	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		9376.41	9033.04	9213.06	9319.42	11085.59	- Durban to Randfontein R/ton

# AGRICULTURE

## BRAZIL

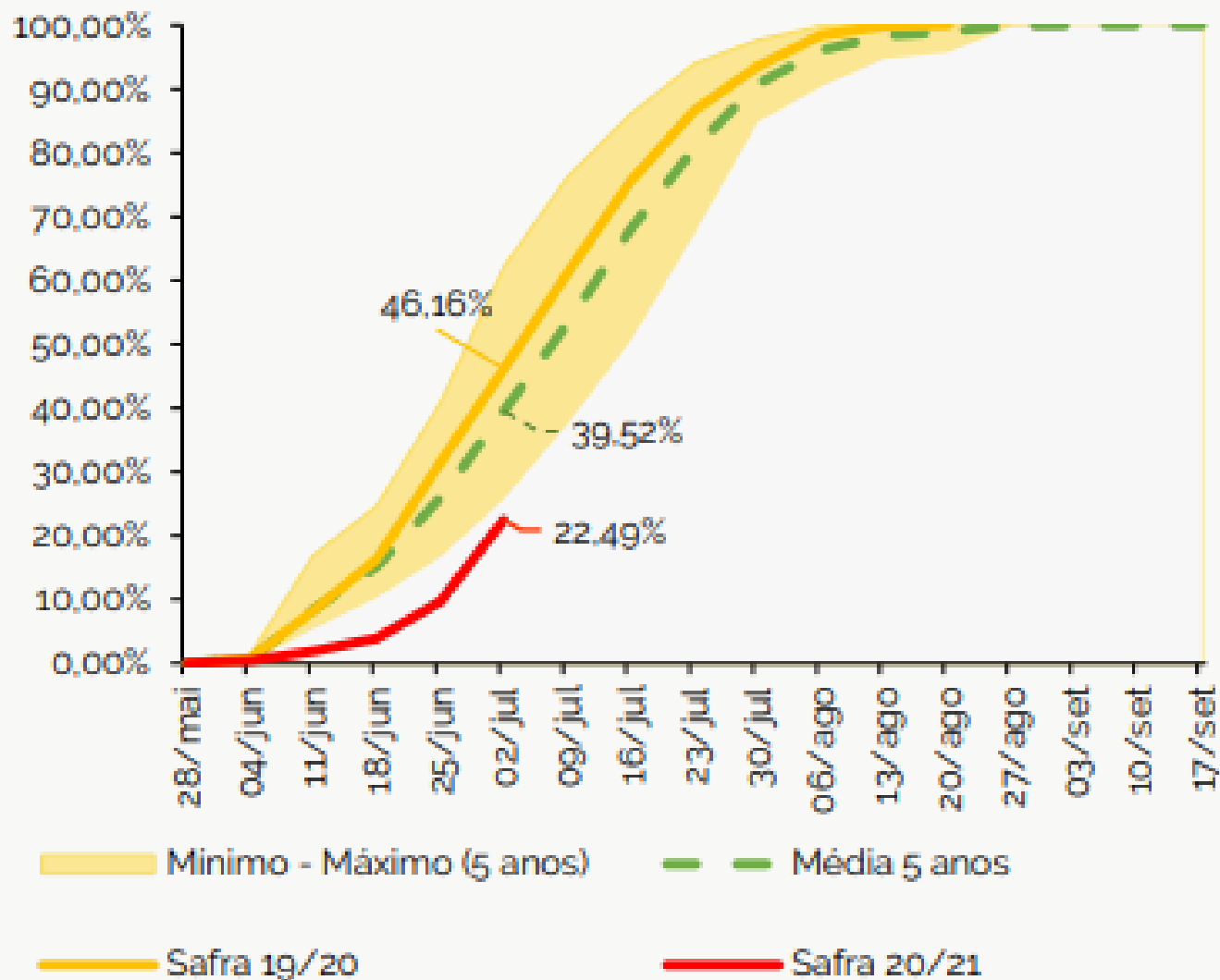
### Corn harvest tempo

The corn harvest in Brazil is still far behind the average pace for the second crop. In all of Brazil only 12% of the corn has been harvested.



In Mato Grosso, 22,49% of the Safrinha corn has been harvested this is far below last years tempo of 46,1% and the 5-year average of 39,5%.

## ACOMPANHAMENTO DA COLHEITA DE MILHO EM MATO GROSSO



Fonte: IMEA

# AGRICULTURE

## USA

**Corn:**  
Corn conditions were rated 64% good/excellent, unchanged from last week and compared to 71% last year.

**Soybeans:**  
Soybean conditions were rated 59% good/excellent, compared to 60% last week and 71% last year.

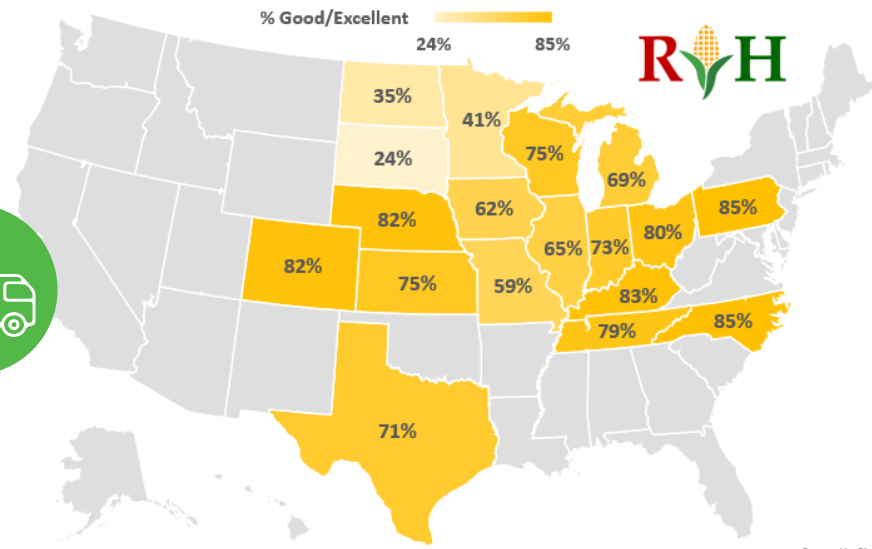
**Wheat:**  
Spring wheat conditions were rated 16% good/excellent, compared to 20% last week and 70% last year.

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

45% winter wheat is harvested.



**CORN CONDITIONS - AS OF 07/04/2021**

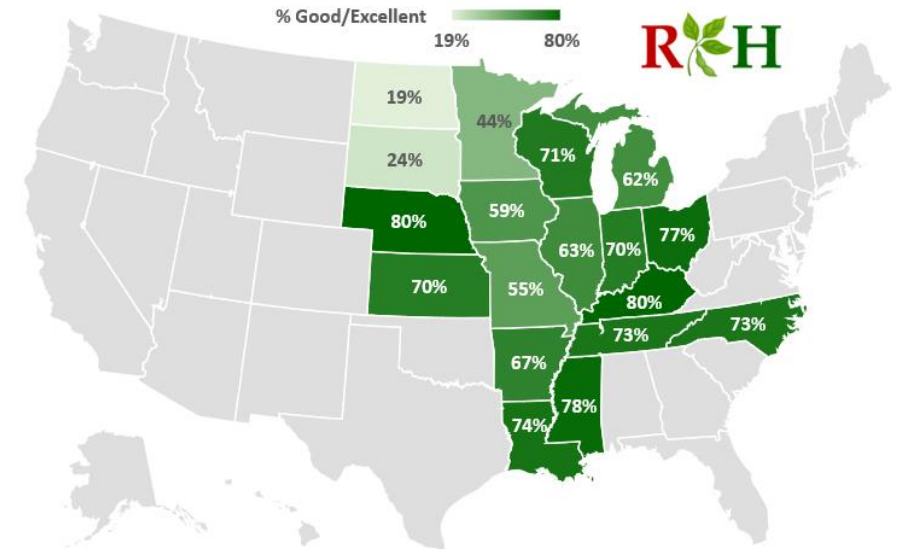


<b>U.S. Aggregate</b>	<b>64%</b>
Last Week	64%
Last Year	71%
Average	69%

Source: NASS



**SOYBEAN CONDITIONS - AS OF 07/04/2021**



<b>U.S. TOTAL</b>	<b>59%</b>
Last Week	60%
Last Year	71%
Average	66%

Source: NASS







# INTERNATIONAL AGRICULTURE

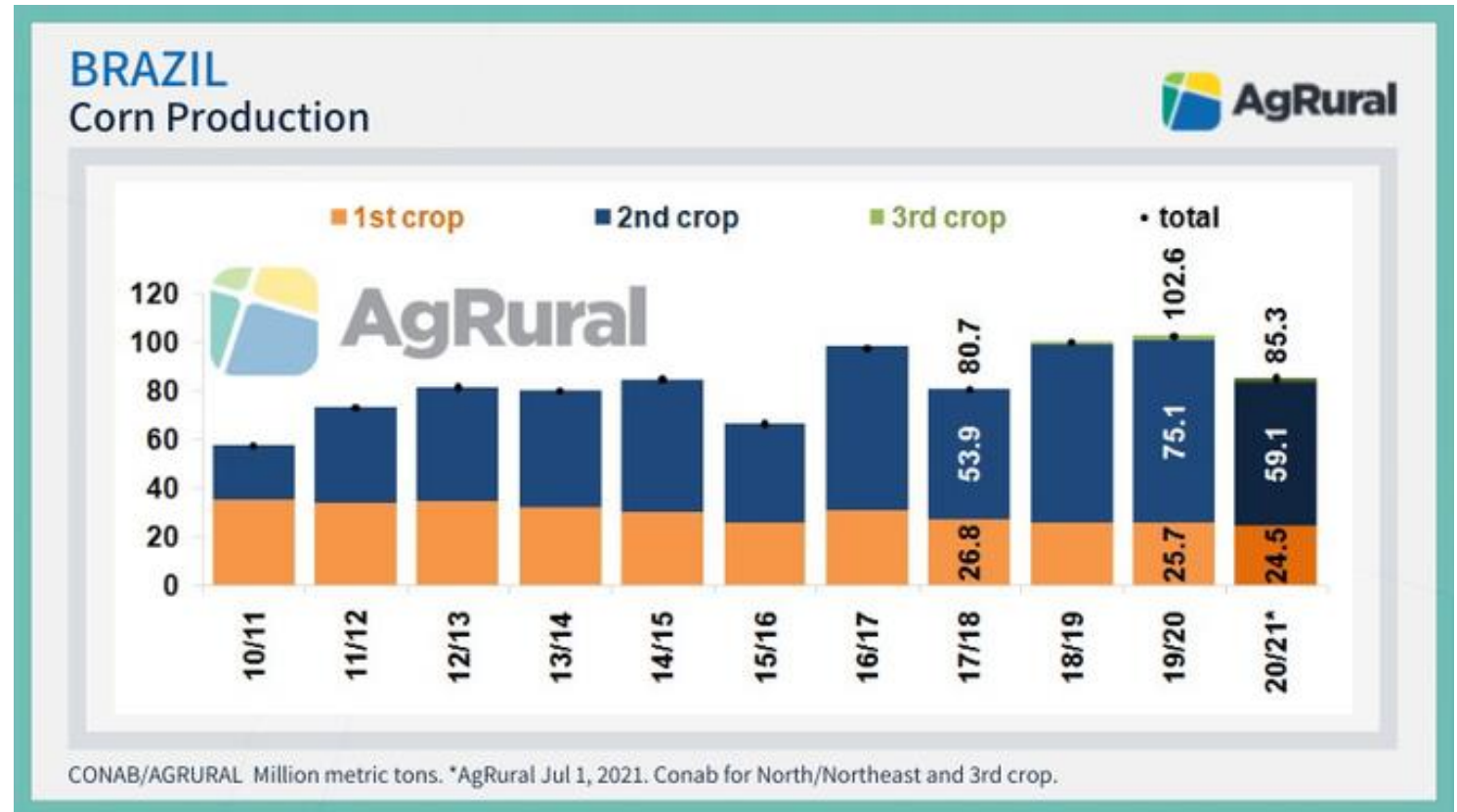
## BRAZIL'S CORN PRODUCTION

According to AgRural, Brazil's total corn production is expected to drop to 85,3 million tons from 90,9 million tons in June. This is after the latest decline in the second corn crop was estimated at 59.1 million tonnes, due to last week's icy temperatures..

The second maize crop for the season has already been reduced by a total of 22 million tons, mostly due to drought.

### Other estimates include:

- USDA: 98,5 million ton
- StoneX: 87,9 million ton
- CONAB: 93,38 million ton



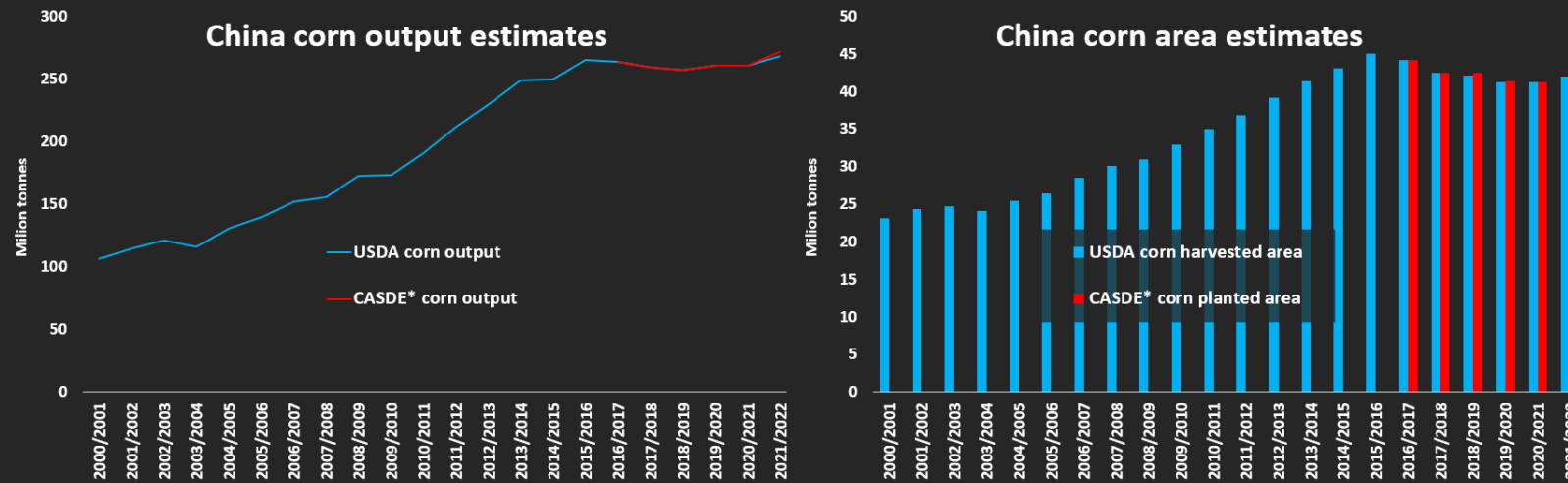


# INTERNATIONAL AGRICULTURE

## CHINA'S CORN PRODUCTION

### China corn production and area since 2000

China's corn output is expected to rebound this season following a drop in 2020/21



Source: U.S. Department of Agriculture, China Agriculture Ministry, \*CASDE = China Agriculture Supply and Demand Estimates

The acreage expansion, which comes mainly at the expense of soybeans and other crops including sorghum and edible beans, could boost China's corn output in 2021/22 by at least 6%, according to market participants.

Chinese farmers have sharply increased corn acres this year, due to high local prices and bigger profit margins. This increase is likely to decrease the country's recent appetite for corn imports. StoneX expects 2021/22 corn imports for China to decrease to 15 million tons.

The U.S. Department of Agriculture's China attaché expects 2021/22 imports to slip to 20 million tons, versus the USDA official estimate of 26 million tons.

Read more:

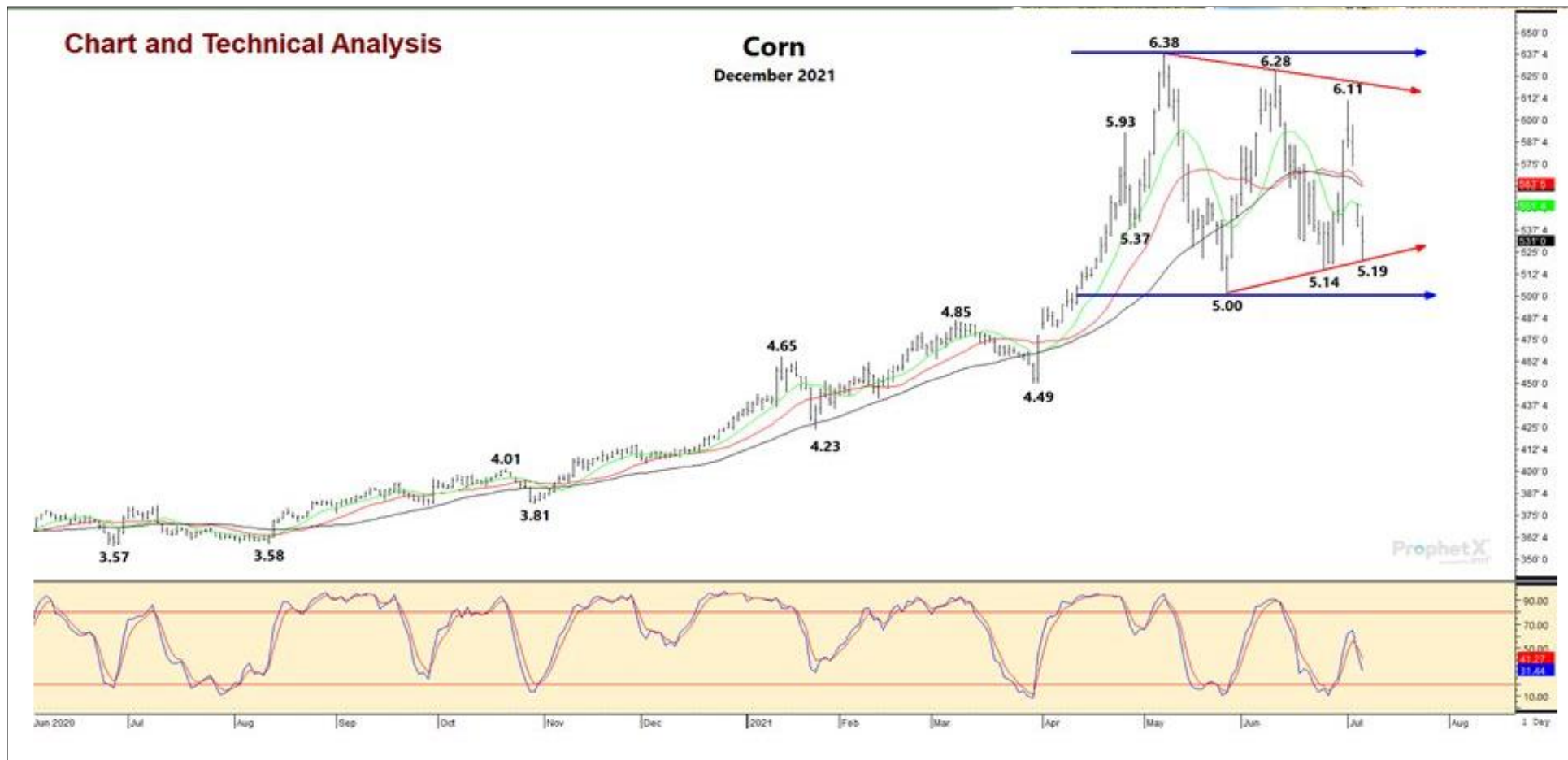
<https://www.reuters.com/world/china/chinas-farmers-dump-other-crops-corn-bumper-profit-pull-2021-07-07/>



# CBOT-CORN

## CBOT-CORN DECEMBER

- The corn market has experienced a negative week after profit taking on Tuesday.
- Corn is now trading just above the \$5 support.
- The short-term trend has turned sideways.



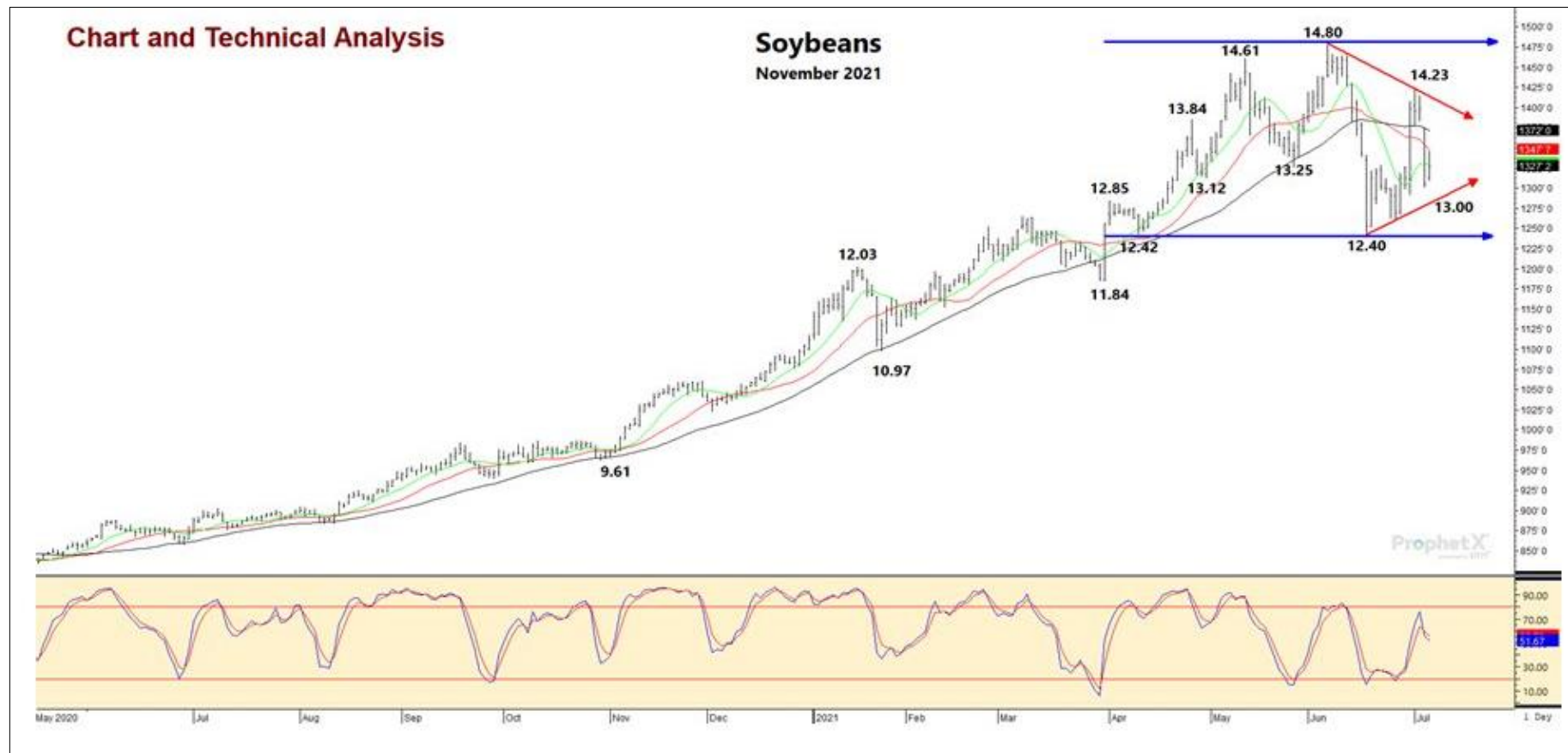


# CBOT-SOYBEANS

## CBOT-SOYBEANS NOVEMBER



- Soybean prices declined this week after profit taking on Tuesday.
- Soybeans are currently trading above the 25 day moving average and below the 50 day moving average.
- The interim trend is sideways.





# NATIONAL AGRICULTURE

## FOOT AND MOUTH DISEASE - KWAZULU-NATAL

At least three district municipalities in KwaZulu-Natal have been declared disease management areas, with movement restrictions for all hooved animals, after an outbreak and spread of Foot and Mouth disease which was first discovered in May at the Umkhanyakude District Municipality. These movement restrictions could financially impact meat and wildlife producers in the area negatively.

The virus strain has been identified as a FMD SAT2, however the origin of the outbreak is still under investigation. Economists have raised concerns over the biosecurity challenges in the Livestock and Poultry sectors.

The Ezemvelo KZN Wildlife and the ISimangaliso Wetlands Park have introduced a compulsory wheel and wheel arch spraying at the entry gates of the parks to combat the spread of foot and mouth disease into their protected Areas.

Read more: <https://www.sabcnews.com/sabcnews/the-origin-of-foot-and-mouth-disease-investigated-in-kwazulu-natal/>





# NATIONAL AGRICULTURE

## SOUTH AFRICAN 2020/21 CROP ESTIMATES

The South African Crop Estimates Committee (CEC) announced its fifth production estimate for the 2020/21 season last week, adjusting the 2020/2021 maize production for 2020/21 to 16.2 million tonnes.

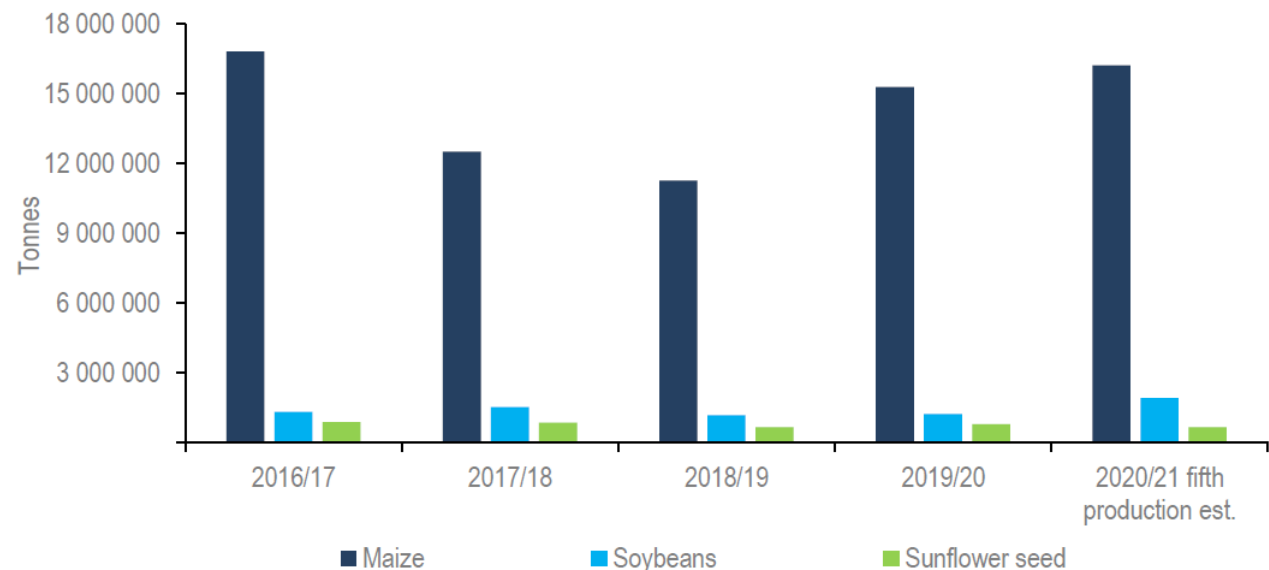
Although South Africa expects a large maize crop, official estimates are that exports will amount to only 2.6 million tonnes in the marketing year 2021/22, a 10% fall from last year. The drop is because of the expected weaker demand from our neighbouring countries.

The decline in local maize prices is not due to the expected second-largest recorded maize crop in the 2020/21 production season but attributed to a 56% increase in the season's export parity prices. The parity price increase is due to the rise in global demand because of lower expected stock levels. The drought in South America and the dry weather conditions in Russia, Ukraine, and the USA at the beginning of the 2021/22 production season also contribute to the rise in demand.

The current local prices are not a reflection of the local harvest. The global events affecting our export parities are the cause of these fluctuations.

Read more: [Agricultural Business Chamber of South Africa \(agbiz.co.za\)](http://agbiz.co.za)

Exhibit 1: South Africa's major summer grain and oilseeds production



Source: CEC and Agbiz Research



# EXCHANGE RATE

## USD/ZAR



The USD/ZAR is currently trading at R14,37 and passed its 50-day moving average, but failed to pass its 100-day moving average of R14,40, even though the U.S. Dollar is stronger this week. Rising Gold prices and falling oil prices are both supporting the South African rand. The USD/ZAR traded evenly after the announcement by the US Labour Department that initial claims for state unemployment benefits rose by 2000 applicants to 373,000 from last week after it was expected by economists to have dropped by 20,000 applicants.

FX\_IDC:USDZAR, 1D 14.371600 ▲ +0.063690 (+0.45%) O:14.311200 H:14.440700 L:14.291500 C:14.371900





# 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 2 July	4 436 407	195 061	16 017	492	4 647 977	4 332 957	117 589	1 379	6 162	4 458 087	9 106 064
<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>-4 288 838</b>					<b>-2 837 713</b>	<b>-7 126 551</b>

Oilseeds	Sunflower Seed Total (ton)	Soyabeans Total (ton)
Producer deliveries from 27 Feb till 2 July	563 310	1 790 930
<b>Fifth production forecast</b>	<b>677 240</b>	<b>1 918 150</b>
<b>Difference - outstanding</b>	<b>-113 930</b>	<b>-127 220</b>

Resource: SAGIS

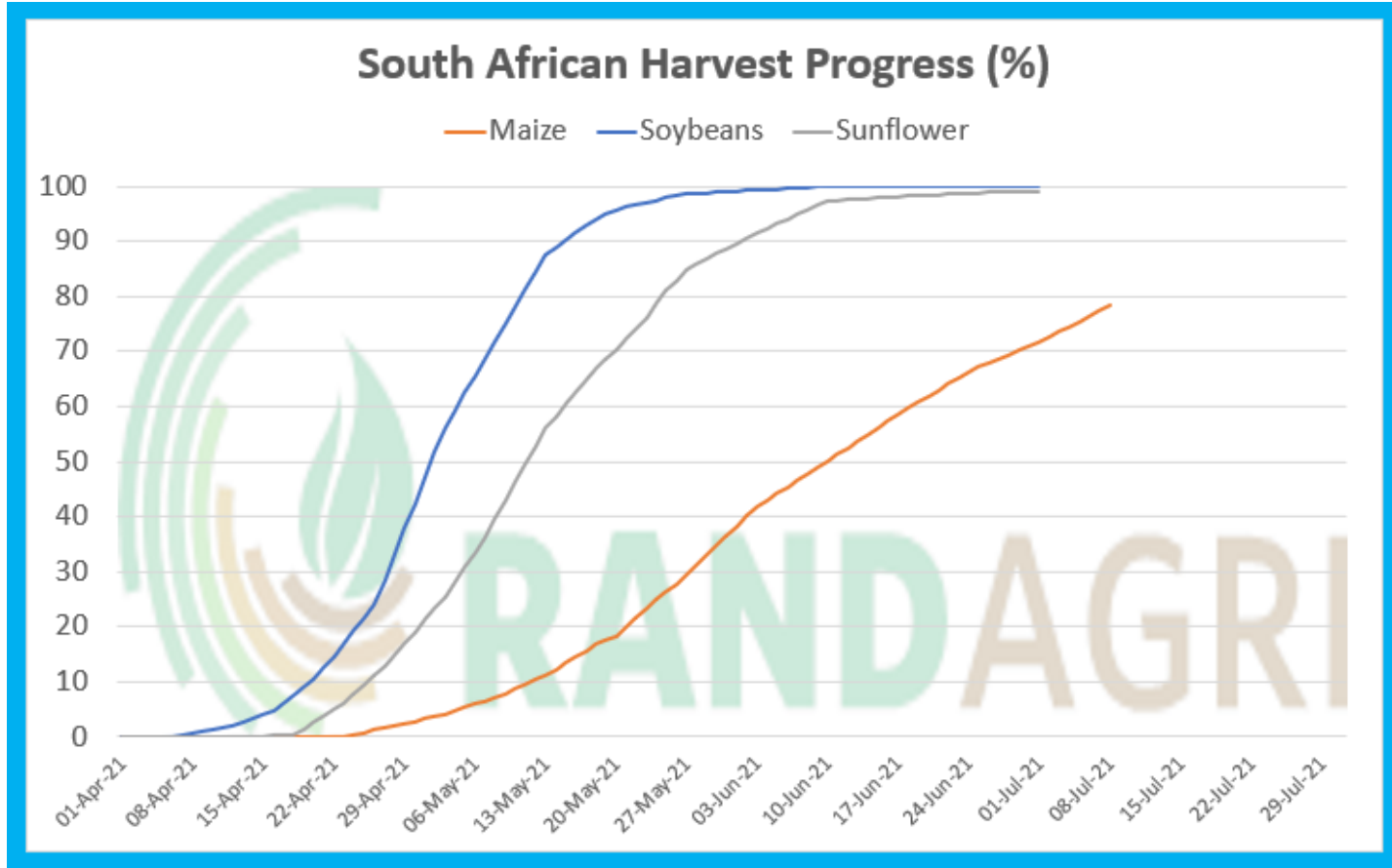
This information is voluntarily submitted by co-workers registered with SAGIS where producer deliveries are commercially received






# FIELD AGENT OVERVIEW

SOUTH AFRICAN HARVEST PROGRESS (%)



SAF HARVEST PROGRESS 7 JUL 2021 (%) 			
REGION	Maize	Soy	Suns
North West (West)	73	100	100
North West (East)	65	100	100
Free State (West)	81	100	100
Free State (East)	72	100	100
Mpumalanga (North)	92	100	n/a
Mpumalanga (South)	91	100	n/a
<b>SAF TOTAL</b>	<b>78</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.



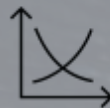
Logistics including sourcing, storage, export and delivery of grains and agricultural lime directly to customers.



Milling, processing and selling of white and yellow maize meal, yellow maize grits, starch and super fine maize meal.



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.  
+ 27 (013) 243 1166 | [Info@randagri.co.za](mailto:Info@randagri.co.za) | [www.randagri.co.za](http://www.randagri.co.za)