

WEEKLY
FOOD-FOR
THOUGHT

DATE: 20 AUGUST 2021





WEATHER

- USA international weather forecast
- USA Precipitation



PARITIES

- Import and export parities for yellow maize



INTERNATIONAL AGRICULTURE

- Brazil crop condition
- North American harvest tempo
- Brazil corn imports
- USA Pro Farmer tour
- CBOT



NATIONAL AGRICULTURE

- Local weather predictions
- Namibia foot and mouth disease outbreak



EXCHANGE RATE

- Overview – USD/ZAR



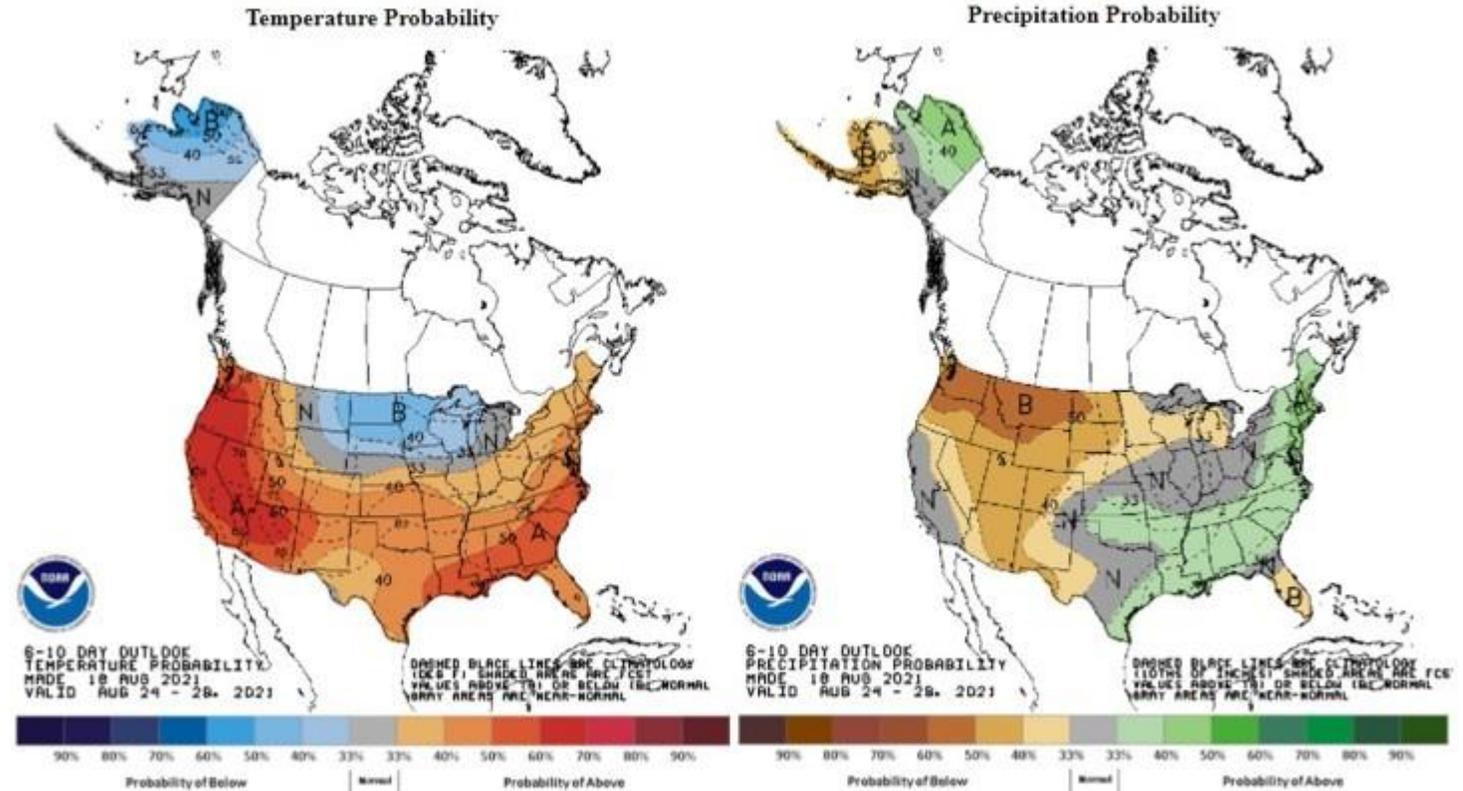


INTERNATIONAL WEATHER

USA WEEKLY FORECAST:

The probability of precipitation for next week is normal for the Midwest and the rest of the corn belt.

Temperatures are expected below normal levels for the Midwest next week.



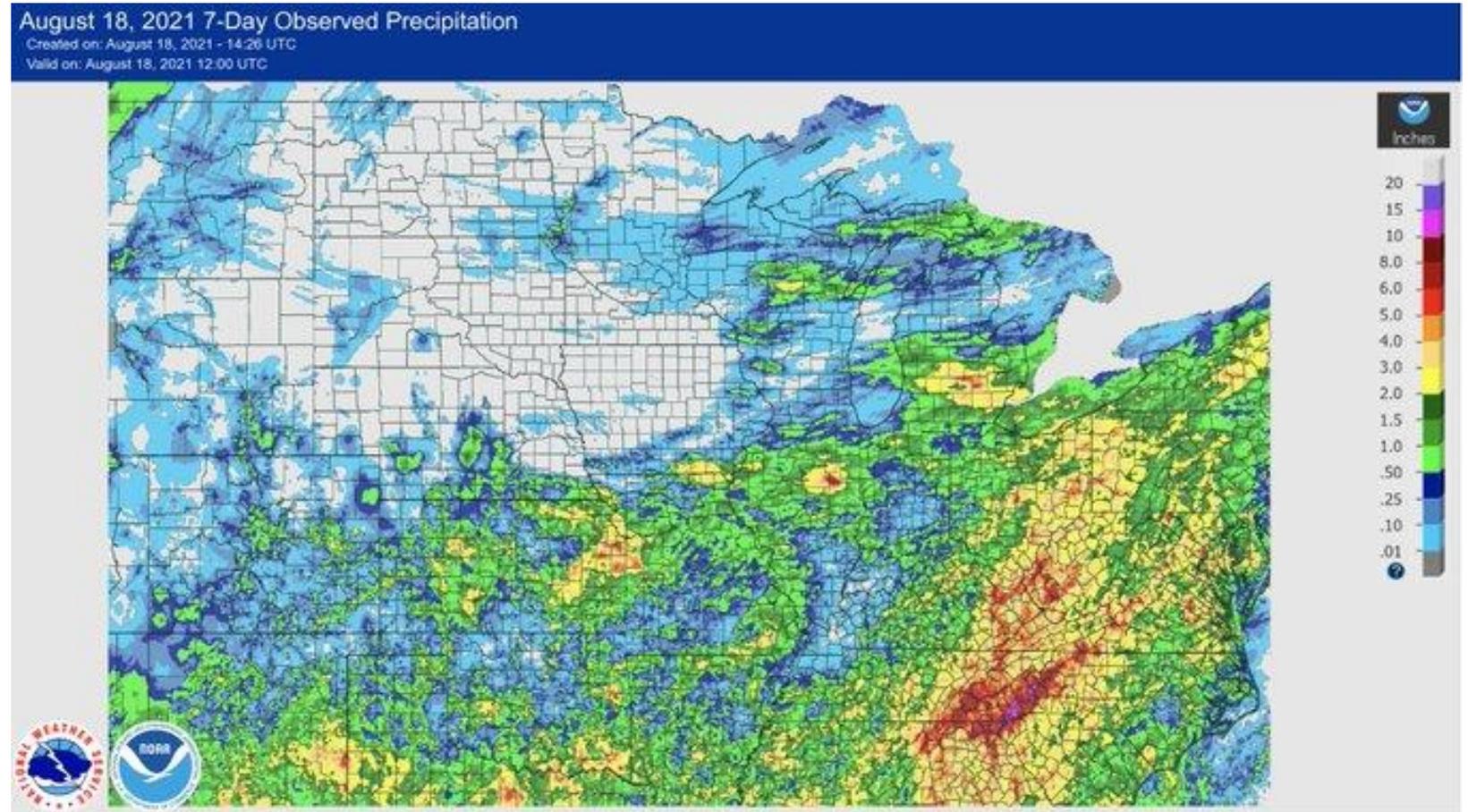


INTERNATIONAL WEATHER

USA PRECIPITATION:

Precipitation over the past seven days was few and far between over most of the Midwest.

50mm rain fell in places over the rest of the corn belt.



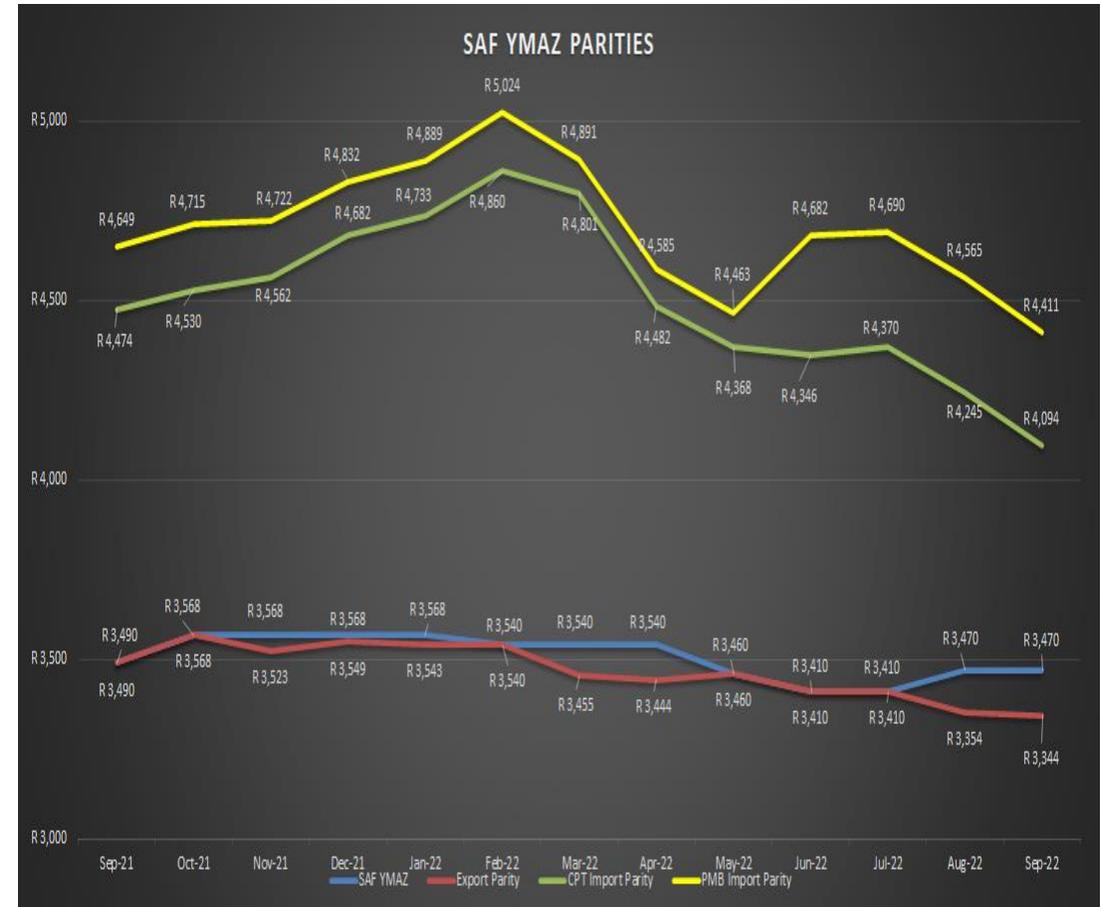


PARITIES



YELLOW MAIZE IMPORT & EXPORT

	Sept'21	Des'21	Mar'22	Jul'22
PMB-import parity	R4 649	R4 832	R4 891	R4 690
CPT-import parity	R4 474	R4 682	R4 801	R4 370
SAFEX-yellow maize	R3 490	R3 568	R3 540	R3 410
DBN-export parity	R3 490	R3 549	R3 455	R3 410



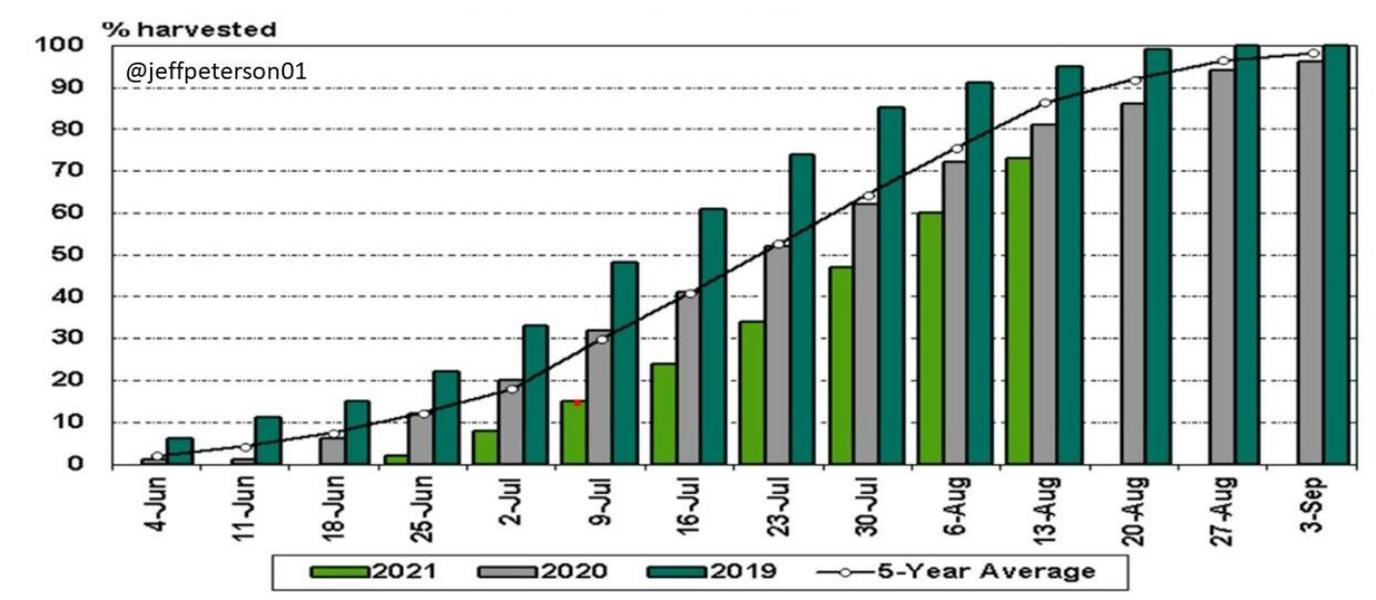
AGRICULTURE

BRAZIL

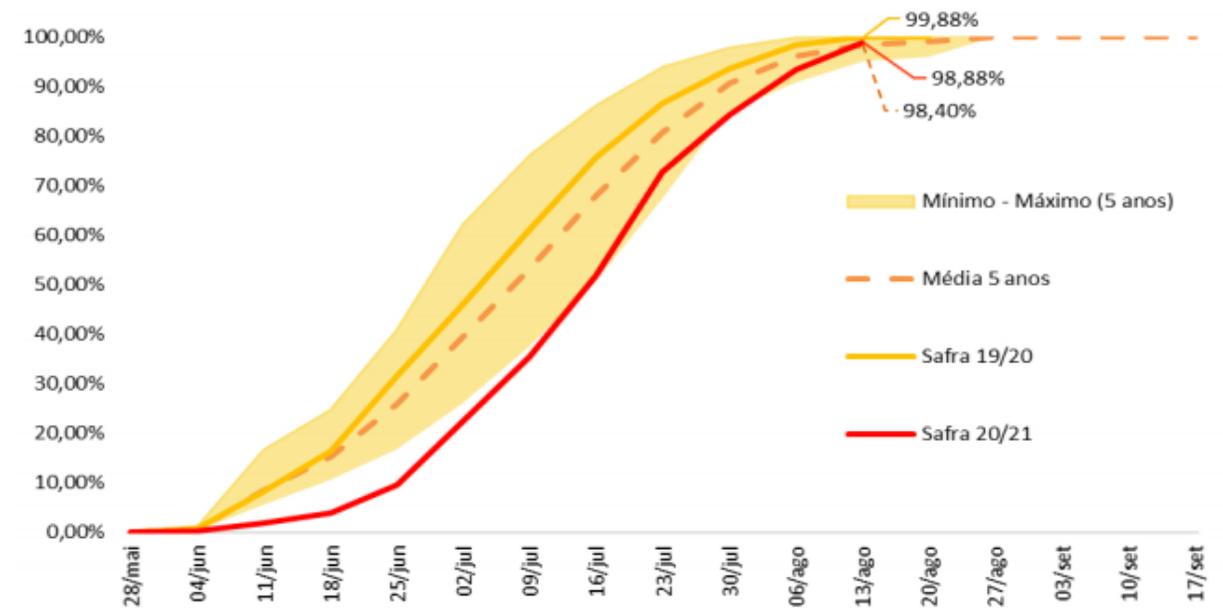
Corn harvest tempo

In Brazil 72% of the Safrinha corn crop has been harvested.

In Mato Grosso, 98,9% of the Safrinha corn has been harvested. This is in line with last years tempo and the 5-year average.



EVOLUÇÃO DO PERCENTUAL DE ÁREA COLHIDA DE MILHO EM MATO GROSSO



AGRICULTURE USA

Crop Condition

Corn:

Corn conditions were rated 62% good/excellent, compared to 64% last week and 4% behind the average.



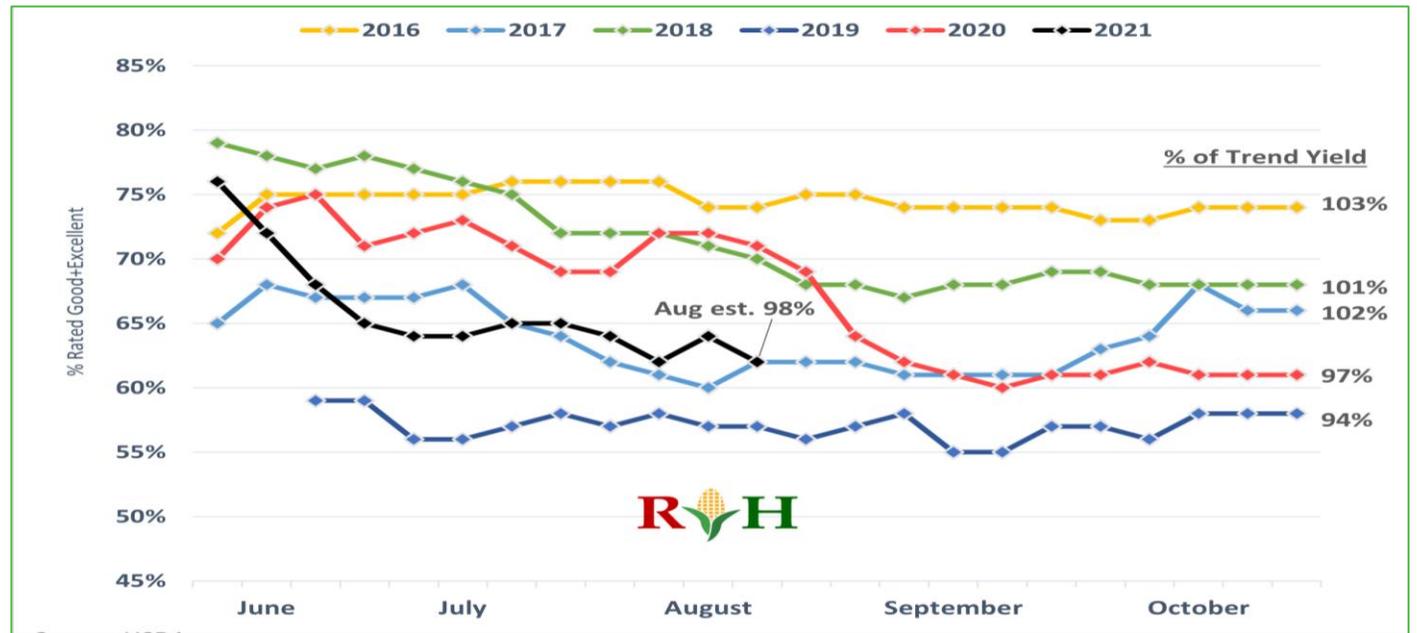
Soybeans:

Soybean conditions were rated 57% good/excellent, compared to 60% last week and 7% behind the average.

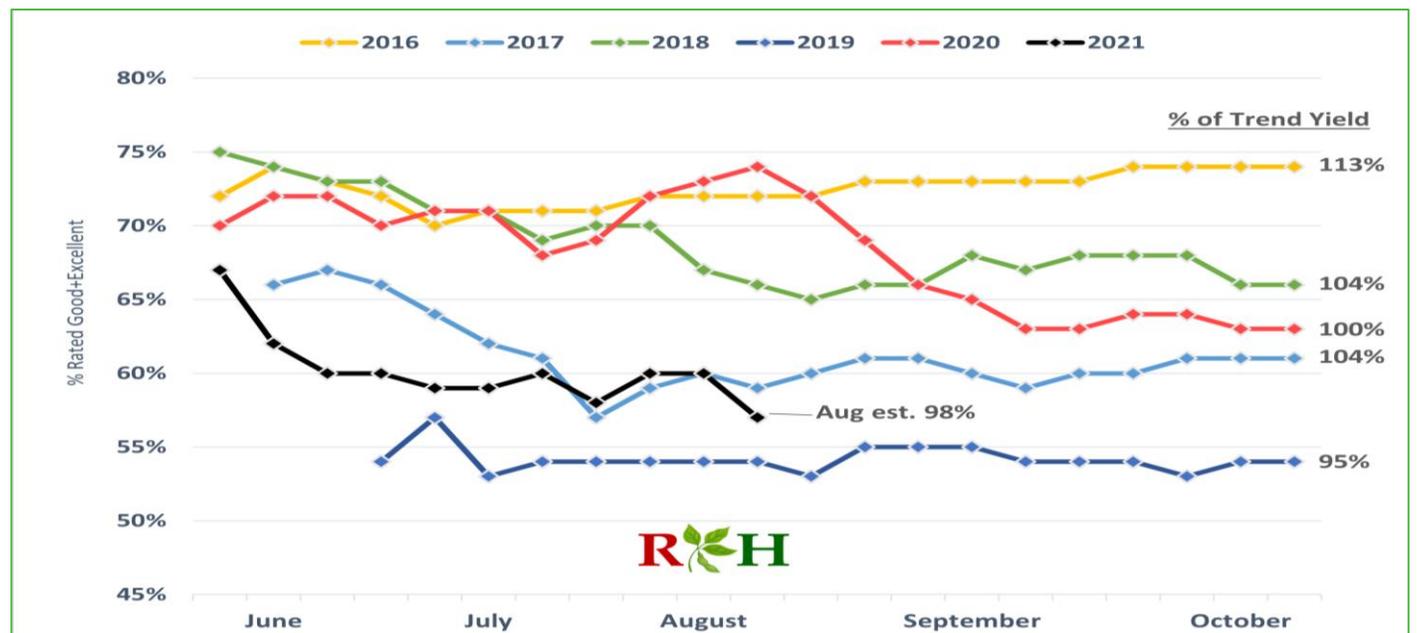
Wheat:

58% of spring wheat has been harvested.

USA – corn condition



USA – soybean condition





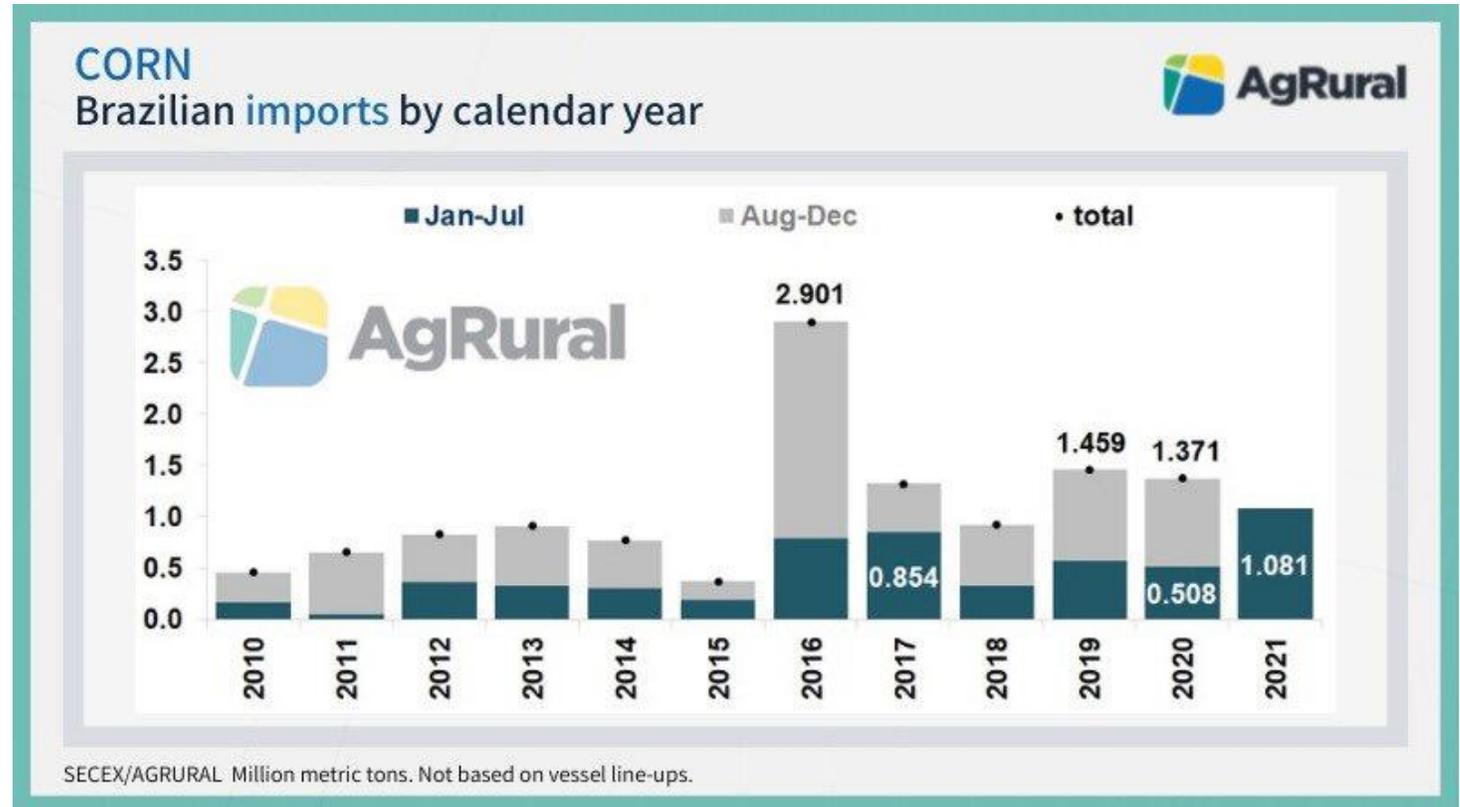
INTERNATIONAL AGRICULTURE

BRAZIL CORN IMPORTS

Brazil imported 1,081 million tons of corn from January to July of 2021, the largest for this period since 2000.

79% of the corn came from Paraguay and 21% from Argentina.

More corn imports are expected from Argentina during August. Brazil's exports are also expected to decline by 22% from 2020.





INTERNATIONAL AGRICULTURE

PRO FARMER TOUR 2021

Pro Farmer Tour – Corn Yield (bushels/acre)

STATE	% of Total US production 2020	2021	2020 crop tour	Change from 2020	Crop tour 3-year average	USDA 2021	Final 2020
South Dakota	5,1%	151.45	179.2	-15,5%	170.4	133	162
Ohio	4,0%	185.0	167.6	+10,4%	167,2	193	171
Nebraska	12,6%	182.3	175.1	+4,1%	175.6	186	181
Indiana	6,9%	193.4	179.8	+7,6%	174.5	194	187
Illinois	15%	196.3	189.4	+3,6%	184.4	214	192

- According to this week's Pro Farmer Tour data, most states' expected corn yields are higher per acre than last year.
- The two exceptions to this are South Dakota with 15.5% less yield expected and Minnesota with 9% less yield expected.



INTERNATIONAL AGRICULTURE

PRO FARMER TOUR 2021

Pro Farmer Tour – Soybean pod count (in a 3 x 3 feet plot)

STATE	% of Total US production 2020	2021	2020 crop tour	Change from 2020	Crop tour 3-year average
South Dakota	5,4%	996.8	1250.8	-20,3%	1036.1
Ohio	6,4%	1195.3	1155.6	+3,4%	1055.9
Nebraska	7,1%	1226.4	1297.93	-5,5%	1239.2
Indiana	8,0%	1239.7	1281.7.	-3,2%	1172.3
Illinois	14,6%	1279.7	11247.3	+2,6%	1191.3

- According to Pro Farmer Tour data this week, soybean pod counts are lower than 2020 in four of the seven states visited, with the most significant reduction in South Dakota of 20.3%.
- Although the largest producers, i.e., Iowa and Illinois both show an increase in pod counts.



CBOT-CORN

CBOT-CORN DECEMBER

- Corn is currently in a short term upward trend after the release of the USDA's WASDE -report last week.
- Overhead resistance is currently around \$5,94 and support at \$5,60.





CBOT-SOYBEANS

CBOT-SOYBEANS NOVEMBER



- Soybeans are currently trading sideways in a very narrow range waiting for news to push the price in either direction.
- Overhead resistance is around \$14,18 with support at \$13,08

Chart and Technical Analysis





NATIONAL AGRICULTURE

LOCAL WEATHER PREDICTION

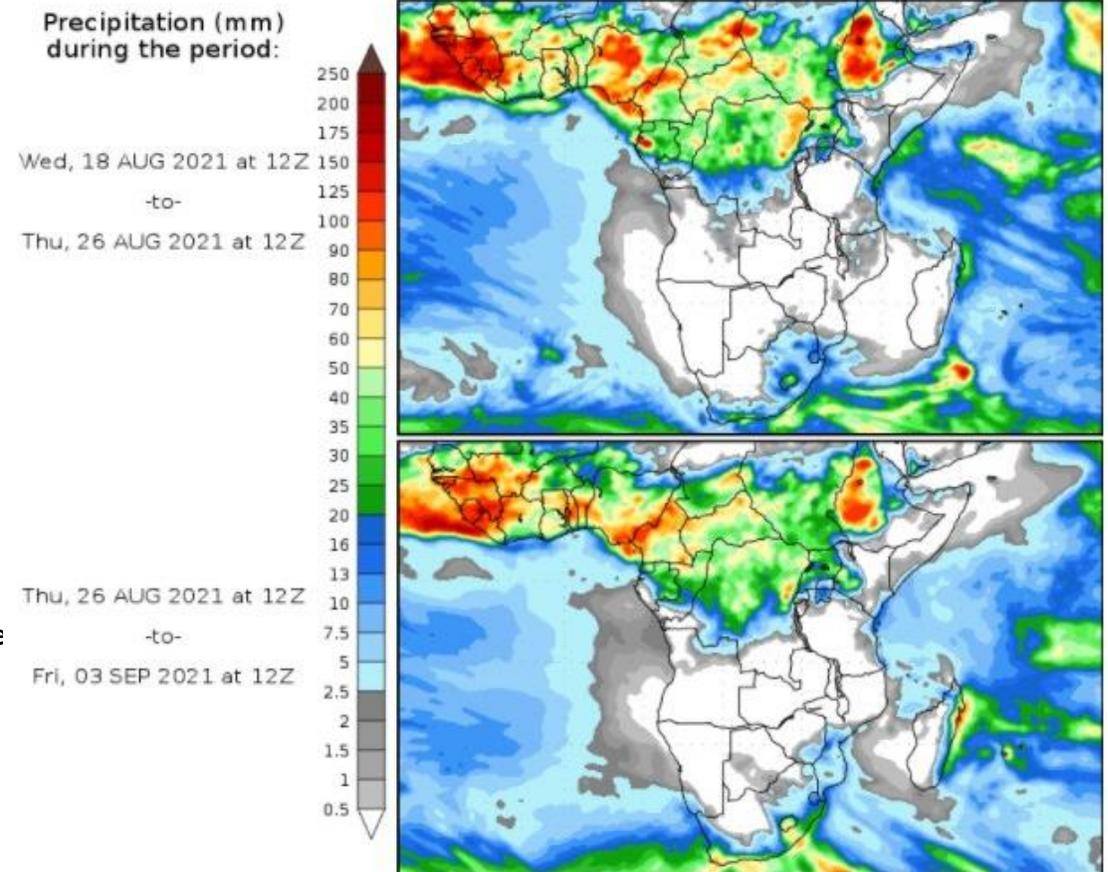
According to Mr. Johan Van Den Berg current predictions for the next month show four more cold fronts will move across South Africa that could bring rain for the Western and Eastern Cape and especially the Southern Cape. Rain may also occur in the first week of September. over the central and south-eastern interior These cold fronts follow fairly heavy snowfall since last week over the eastern parts of the Northern Cape, the northern parts of the Eastern Cape, with light snowfall in Worcester in the Western Cape and Golden Gate in the Eastern Free State.

The risk of frost damage is now increasing in the winter rainfall regions as the crops begin to bud and the sensitive growth points of wheat begin to protrude above the ground. Very stormy conditions are expected in the next few weeks, especially over the Eastern Cape and adjacent parts of the Garden Route.

In the longer term, we can see the beginning of a La Niña phenomenon. Currently there is a 70% chance that a weak to moderate La Niña phenomenon will start to occur from around September and/or October. Variables from the Indian Ocean are currently very favourable for summer rainfall and can also stimulate an earlier onset of summer rainfall. The combination of a La Niña phenomenon and a negative phase of the Indian Ocean dipole, as currently underway, is very favourable for summer rainfall.

Forecasts currently indicate that the very dry parts of the Eastern Cape can get fairly good to heavy rainfall in the spring and early summer. There is also a chance of very heavy rainfall this year which could lead to flooding in some places, says Van den Berg.

Read more: [Local weather prediction](#)





NATIONAL AGRICULTURE

NAMIBIA FOOT AND MOUTH DISEASE STRAIN

Namibia's Ministry of Agriculture has announced that a serotype O strain foot-and-mouth disease outbreak has been identified in the north-eastern Zambezi region.

According to the chief veterinary officer of the Ministry of Agriculture, Albertina Shikongo, there is evidence that the new strain is more contagious than other strains. Although about 90% of herds have been vaccinated in the area, there are still cases among the herds. "This is the first time in history that the serotype O strain has been identified here and the high infection rate explains the vaccine's poor response to this strain," she said.

Further investigations into the origin of the new strain are ongoing, but there is a suspicion that the outbreak is the result of illegal cross-border movement of cattle between Namibia's Zambezi region and Zambia.

Four districts in Namibia have since been declared contaminated areas, while the entire Zambezi region has been declared a monitoring area. The movement of ungulates, as well as possible infectious goods in and out of the restricted areas is prohibited.

Read more: [local agricultural news](#)





EXCHANGE RATE

USD/ZAR



The USD/ZAR pair has increased the past week as the UK, South Africa, and the USA announced a significant increase in the number of Covid cases. Therefore, the rand weakened as investors started a sell. The USD/ZAR also increased after South Africa released the latest inflation data published by the country's statistics agency. It showed that the headline consumer price index increased from 0,2% in June to 1,1% in July. The USD/ZAR increased above the 50- and 25-day exponential moving averages and has also moved above the 23,6% Fibonacci retracement level that meets the highest level of last year April and the year to date low.

Source: [Invizz](#)





SAFEGUARDING FOOD PROSPERITY

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