

WEEKLY
FOOD-FOR
THOUGHT

DATE: 16 September 2021





WEATHER

- South Americaa forecast
- La Niña watch



PARITIES

Import and export parities for yellow maize



INTERNATIONAL AGRICULTURE

- Argentina grain and oilseed commodities
- Australia Canola crops



NATIONAL AGRICULTURE

Malawi agriculture focus



RAND AGRI SNAPSHOT

Field report: South African wheat conditions

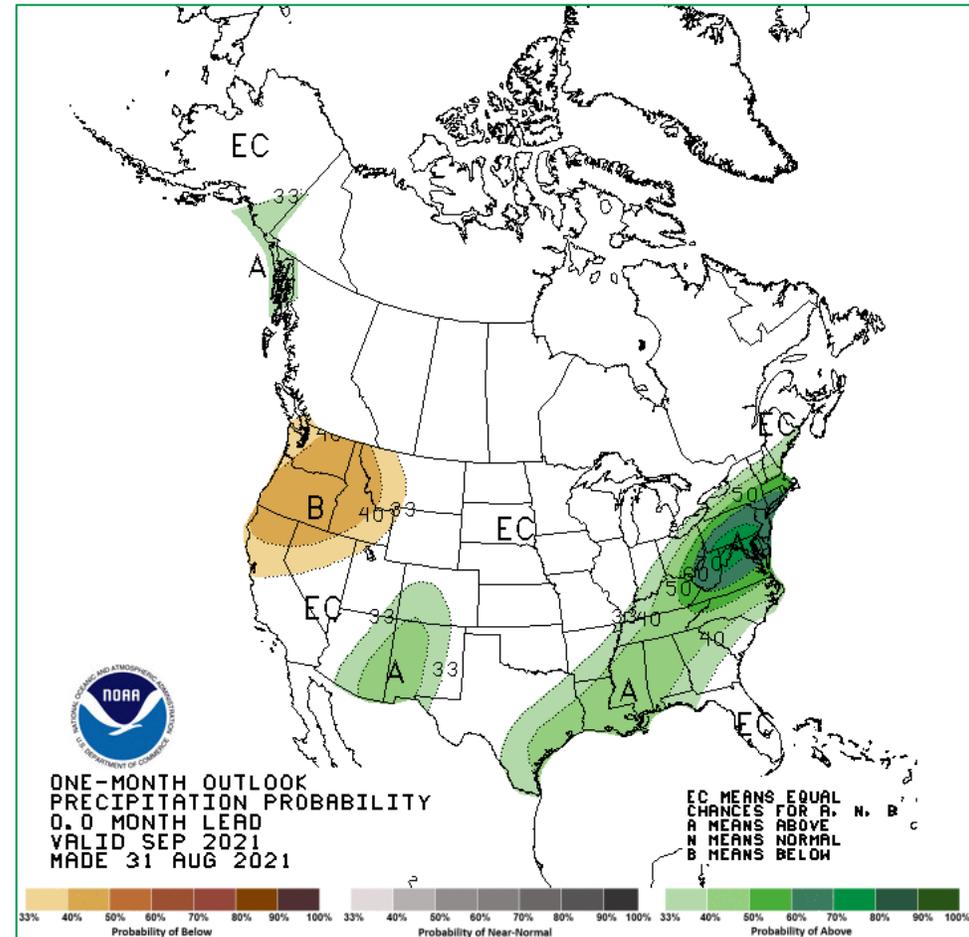
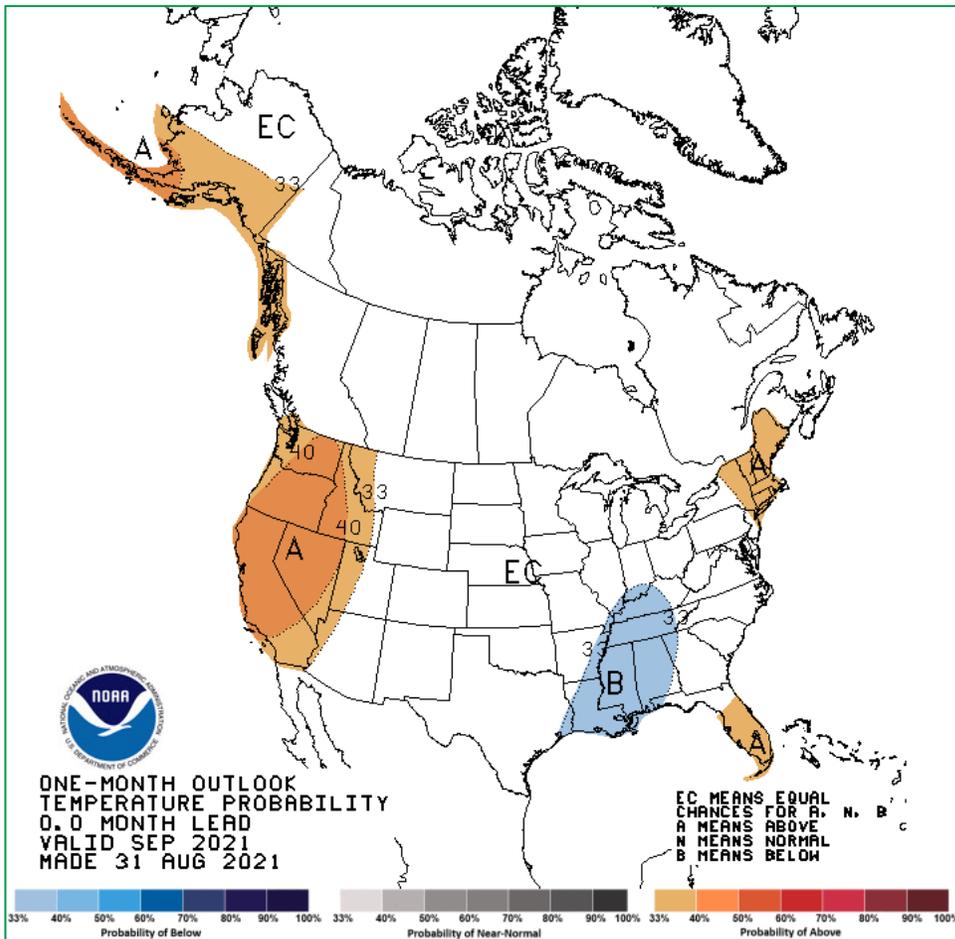




INTERNATIONAL WEATHER

SOUTH AMERICA FORECAST

Above-normal temperatures look likely to predominate west of the continental divide. The mid-month outlook indicates the potential for a relatively cool pattern early in September. Warmer-than-normal conditions are likely for the Florida Peninsula. Conversely, there is a slight tilt toward below-normal temperatures for parts of the Tennessee and Lower Mississippi Valley.

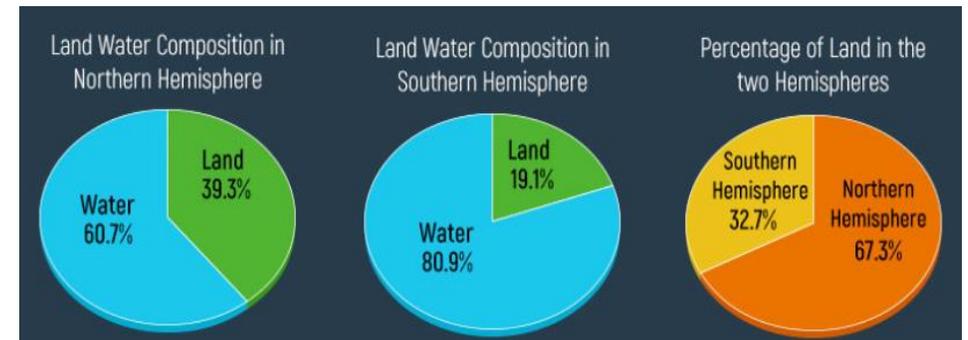
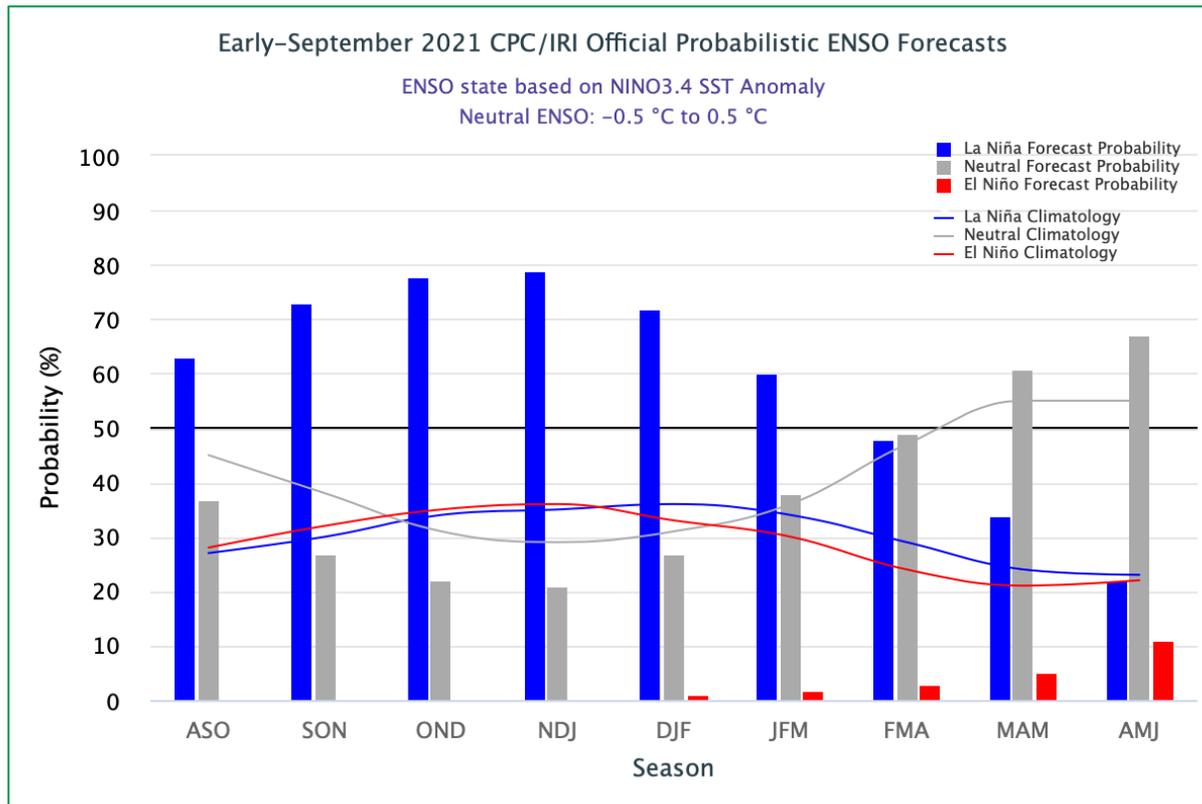




INTERNATIONAL WEATHER

LA NIÑA WATCH

A transition from ENSO-neutral to La Niña is probable in the next couple of months, with a 70-80% chance of La Niña during the northern hemisphere winter 2021/22.



Historically Speaking

El Niño and La Niña events tend to develop from April to June and reach their maximum strength during the period from October to February. These events typically persist for nine to twelve months, though occasionally continuing for up to two years. They recur every two to seven years.



PARITIES

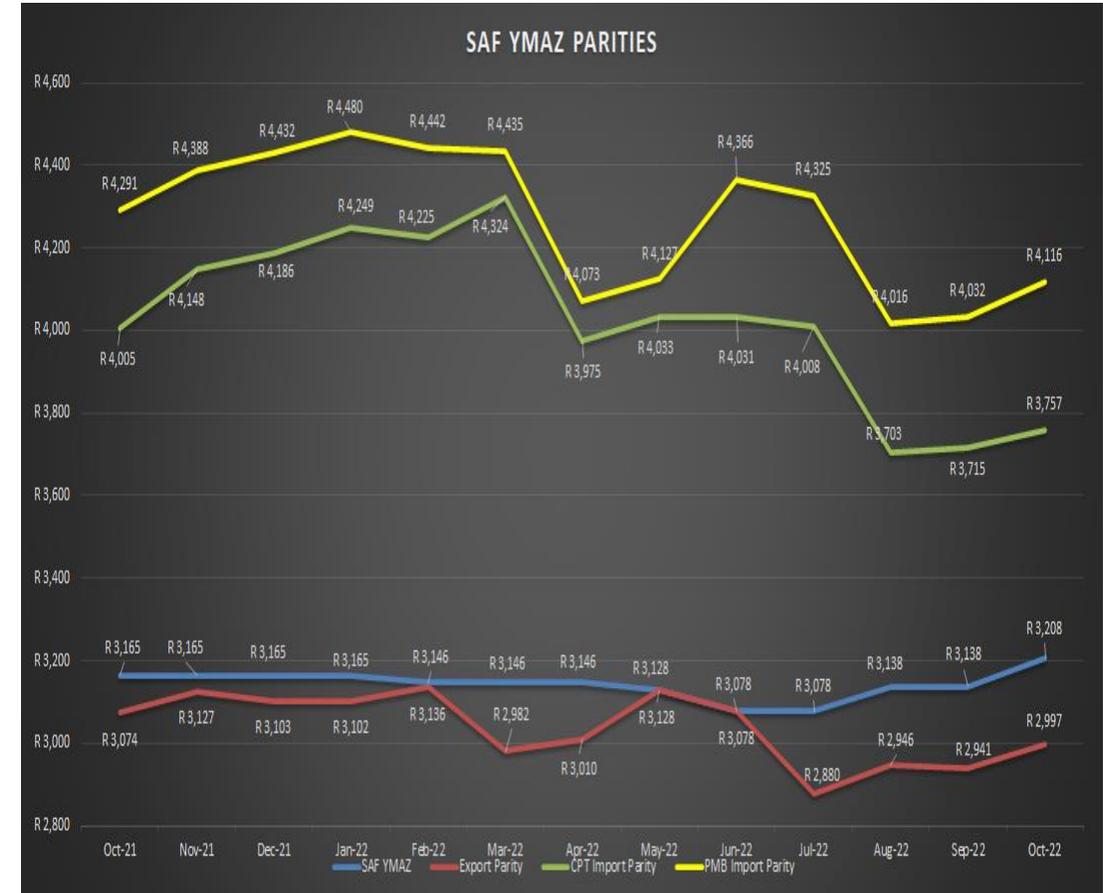


YELLOW MAIZE IMPORT & EXPORT

	Dec'21	Mar'22	May'22	Jul'22
PMB-import parity	R4 432	R4 435	R4 127	R4 325
CPT-import parity	R4 186	R4 324	R4 033	R4 008
SAFEX-yellow maize	R3 165	R3 146	R3 128	R3 078
DBN-export parity	R3 103	R2 982	R3 128	R2 880

Opinion

The May'22 SAFEX-month currently trades at export parity, which means that if market factors remain the same, we can expect to export yellow maize next year – priced from the May'22 SAFEX future month.





INTERNATIONAL AGRICULTURE

ARGENTINA

Argentina's Rosario exchange cuts soybean harvest predictions; boosts corn, wheat

Argentinian farmers are expected to harvest 48.8 million tonnes of soybeans in the 2021/22 season, down from a previous estimate of 49 million, the Rosario Grains Exchange said in a report.

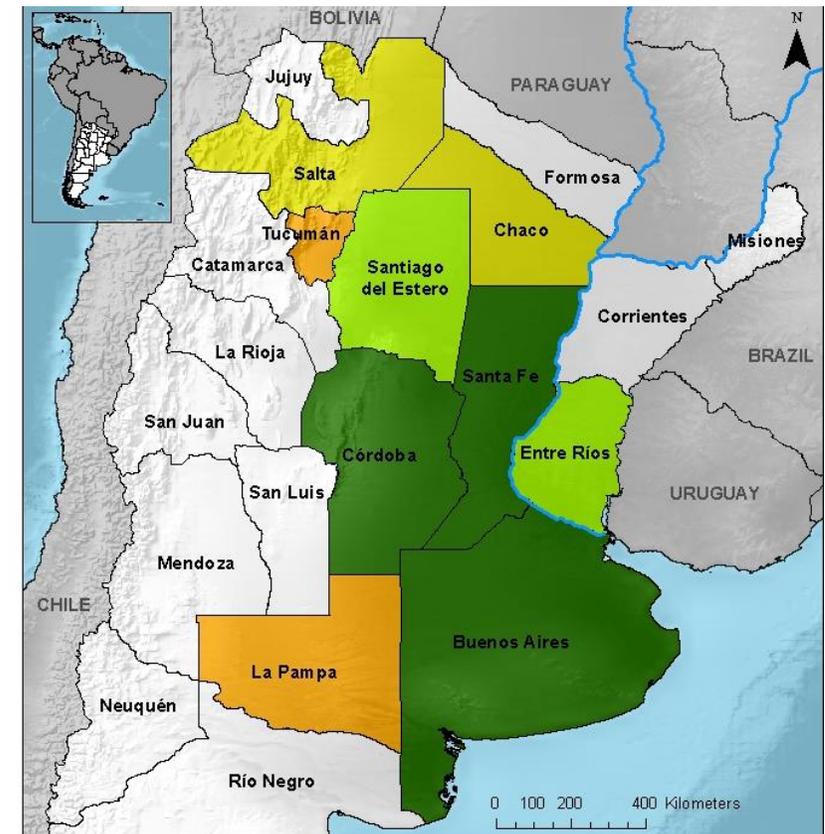
The country's 2021/22 corn crop, however, is estimated at between 55 and 56 million tonnes, up slightly versus the exchange's previous forecast of 55 million, according to the report.

Argentina is a leading global wheat supplier, the world's second-largest corn exporter and the main global exporter of soybean oil and meal. Some farmers have recently turned to corn over soybeans, to handle drought and take advantage of higher profitability.

The exchange added 100 000 hectares to its forecast of the 2021/22 corn planting area – a total of 6.9 million hectares, however, this estimate does not include the grains used by the producers themselves.

"The storms that began on September 1 and have lasted until last week Wednesday ended three months of lack of water in the Pampas region," the exchange report said, referring to the main agricultural region of Argentina. The exchange also predicted the season's wheat harvest would hit 20.5 million tonnes, up slightly from an estimate of 20.1 million tonnes.

"For wheat in 2021/22 these rains marked a milestone because they leave behind a very different scenario," the exchange report said, noting particularly high rainfall in key wheat planting areas.





INTERNATIONAL AGRICULTURE

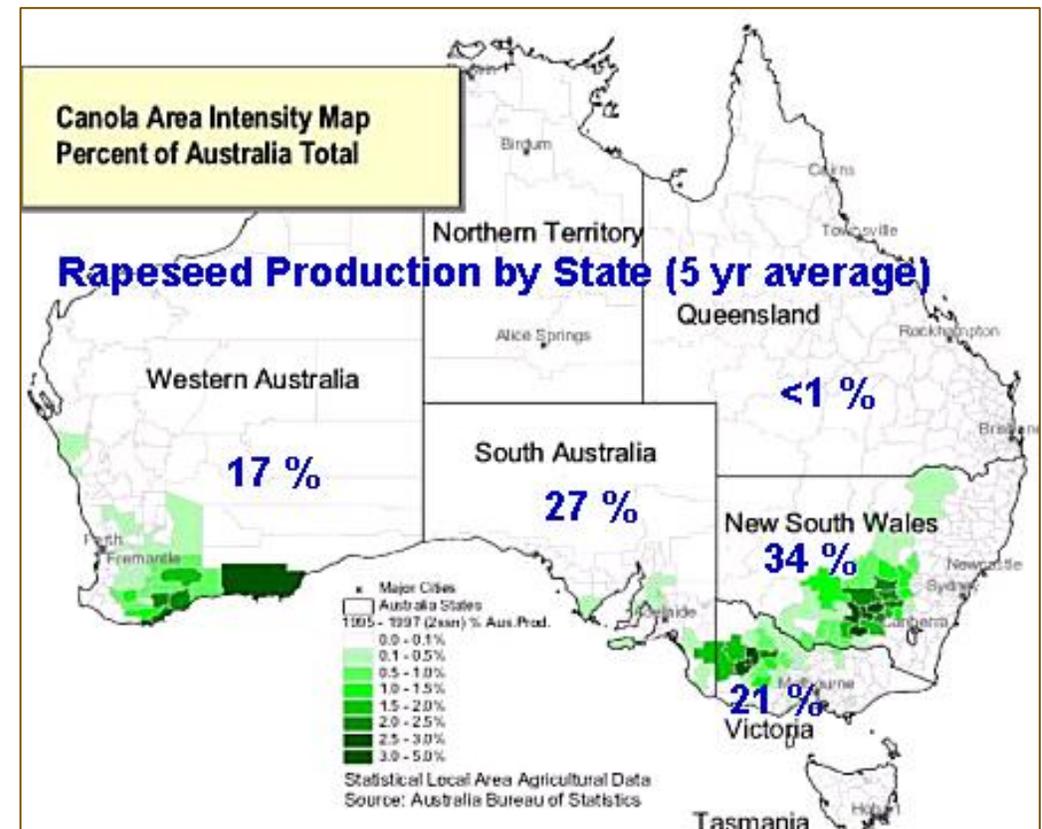
AUSTRALIA CANOLA CROPS

Canola is selling for a historically high price, however, canola crops in the northeast of Victoria are at risk of damage due to the past wet winter of 400 mm of rainfall for the year. A dry April caused some issues with germination. Farmers in this area are concerned about further potential rain damage to their crops since the Bureau of Meteorology is predicting a wetter-than-average spring for Victoria. Canola is known for not tolerating overly wet conditions for an extended period.

What's driving the Canola prices up?

Canola traditionally sits at \$600 per tonne, however, the price has risen around 33%, with Melbourne port prices this week sitting around \$830 a tonne. The increase in prices is due to a drop in production in Canada. Average Canadian production is normally more than 21 million tonnes, but their forecast is down to 15 million tonnes immediately prior to harvest.

Canada is a significant exporter to Europe, Japan and China, which are similarly important markets for Australia. In 2019 Australia produced an average of 3.5 million tonnes, but current indications are that Australia will exceed 4 million tonnes this year.



AFRICA AGRICULTURE

MALAWI



Population: 18.63 million people

Export of commodities: Mainly to Kenya, Egypt and South Africa

Import of commodities: Mainly from South Africa (40% of total imports)

Main imported commodities: Oil, coal, consumer goods and fertilisers

Main exported commodities: Tobacco, tea, sugar and dried legumes

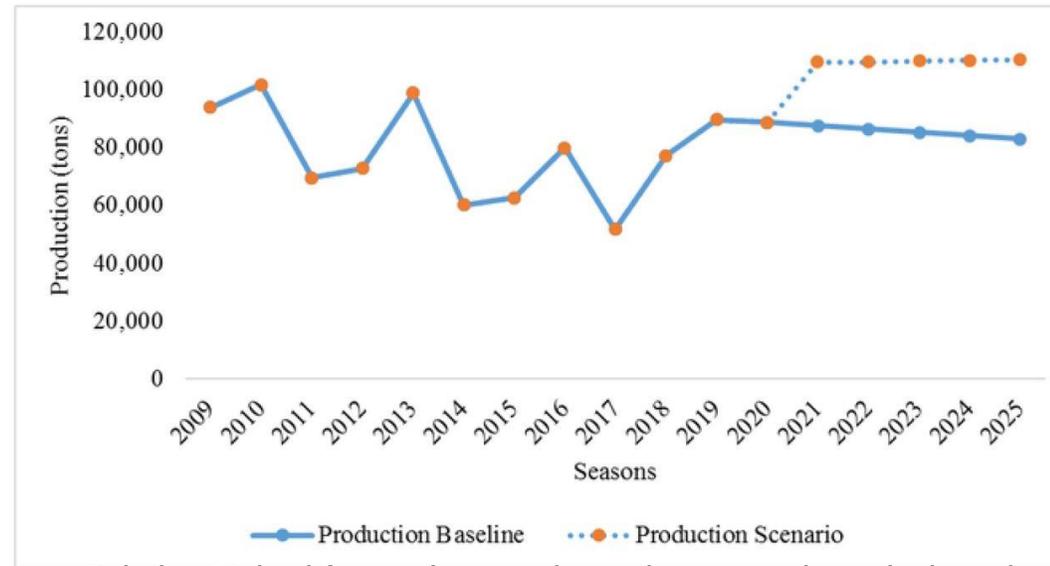
Agriculture in Malawi contributes significantly to the country's economy, generating approximately 30% of the country's Gross Domestic Product (GDP) and employing over 64% of its population.

Malawi's agricultural sector has the potential to expand, but the sector is currently struggling with both productivity and production, which in turn leads to an increase in demand for food. In recent years Malawi's maize production was affected by a sudden worm invasion. The country's agricultural sector at large faces similar problems, such as uncontrollable weather, poorly managed resources, outdated technology, limited irrigation systems and poor information about markets.

Malawian agriculture is highly reliant on rainfall and climate conditions to ensure crop yield, contributing to its poor crop performance. Malawi frequently does not meet its food demands as a result. Farmers have limited knowledge of markets and have the resultant tendency to state selling prices below market prices, thus realising less profit than they otherwise could.

The three main commodities planted in Malawi are maize, rice and beans. Maize is the main food crop, vital to Malawi's food security, and is cultivated on approximately 80% of the country's land. Maize farms also employ about 25% of all people employed in the agriculture sector.

Malawi's estimated maize yield production has increased by 1.6% due to favourable climate conditions, but if the sector can raise its maize production by 30% it will increase the total tonnes harvested to 110 430 ton . With this improvement in production, Malawi would be able to supply 67% of its population's food demand.



Relating Malawi farmers' perception to long-term dynamics in maize.

SOUTH AFRICAN WHEAT CONDITIONS

Current wheat production conditions look favourable and should result in a very productive wheat season in 2021/22. South Africa experienced excellent rainfall in wheat production areas which led to improvements in the planting of wheat in winter rainfall areas. With wheat production doing as well as it currently is, it is highly advisable to keep abreast of the local and international wheat market.

Wheat production in South Africa for the 2020/21 season was 2.1 million tonnes, which was the largest yield since 2008/09. The expected production of wheat for the 2021/22 season is 2,086 million tons, which is 33 865 tons less than the previous season's crop. The 2021 estimated area and first production forecast for winter cereals released by SAGIS are as follows:

CROP/GEWAS	Area planted/ Opp beplant Ha (A)	First forecast/ Eerste skatting Tons (B)	Area planted/ Opp beplant Ha (C)	Final crop/ Finale oes Tons (D)	Change/ Verandering % (B) ÷ (D)
Wheat/Koring	521 500	2 086 135	509 800	2 120 000	-1,60



Current wheat condition in North West province



RAND AGRI FIELD AGENT OVERVIEW





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 | www.randagri.co.za