

WEEKLY

FOOD-FOR-THOUGHT



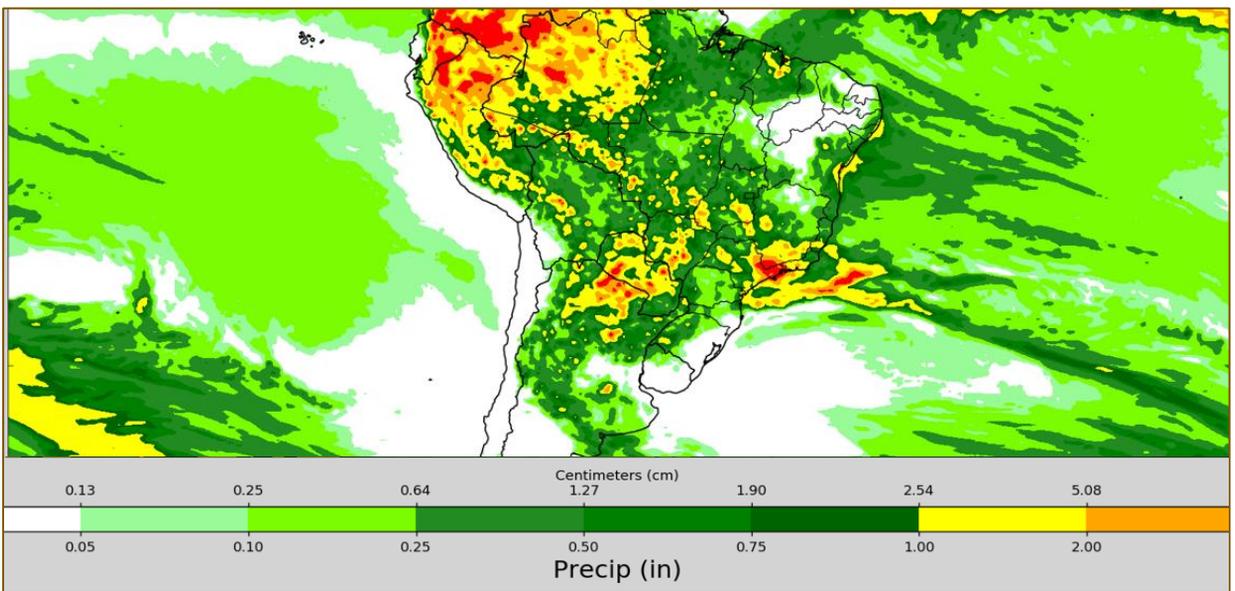
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INTERNATIONAL WEATHER

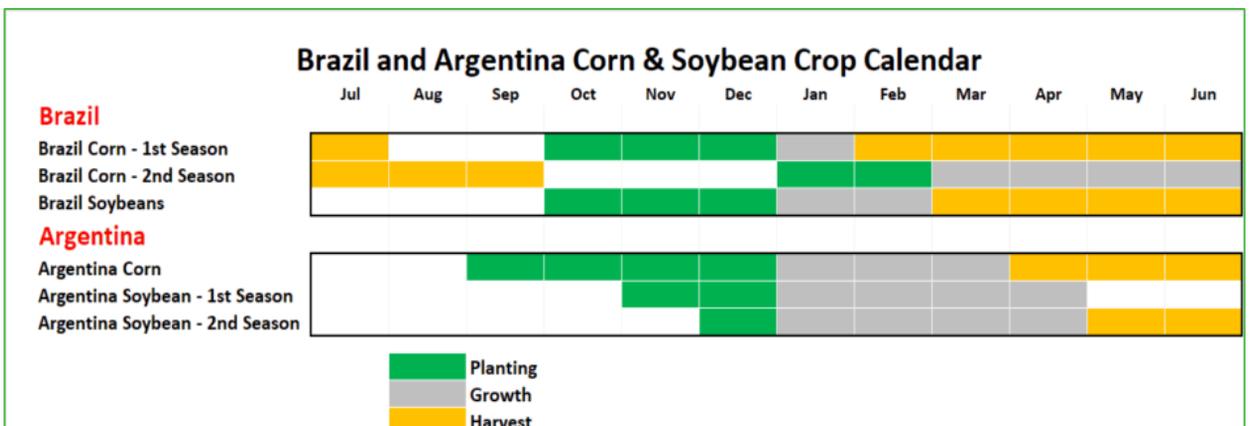
SOUTH AMERICA

Mixed planting weather is forecast for South America's farmers. La Niña weather conditions support drier-than-normal weather in Argentina and southern Brazil, however, parts of the major soybean producing areas of Brazil will see wetter weather.



LA NIÑA WATCH

Despite all of the good weather news in the short-term for Brazil soybean planting, the threat of La Niña bringing drier conditions during the growing season still looms. Argentina is already seeing a deficit in rainfall with drier conditions creeping into southern Brazil as well. La Niña is often associated with drier-than-normal weather in Argentina and in parts of Brazil, especially southern Brazil.





INTERNATIONAL CROPS

US CORN

Less than 40% of the US corn crop is left in the field. The US corn harvest is 66% complete, compared with a 53% five-year average.

Corn sales were reported at 1,27 million tonnes, a 22% jump from the previous week and 67% higher than the prior four-week average. Unknown countries bought more than 456 000 tonnes, while Mexico bought just over 377 000 tonnes. Weekly exports came in at 1,04 million tonnes, a 14% increase from the previous week.

“The corn belt’s harvest remains ahead of schedule, USDA reports”



US SOYBEANS

Despite rain delays, the nation’s soybean harvest is slightly above average, according to the USDA crop progress report. The US soybean harvest is 73% complete, higher than the 70% five-year average.



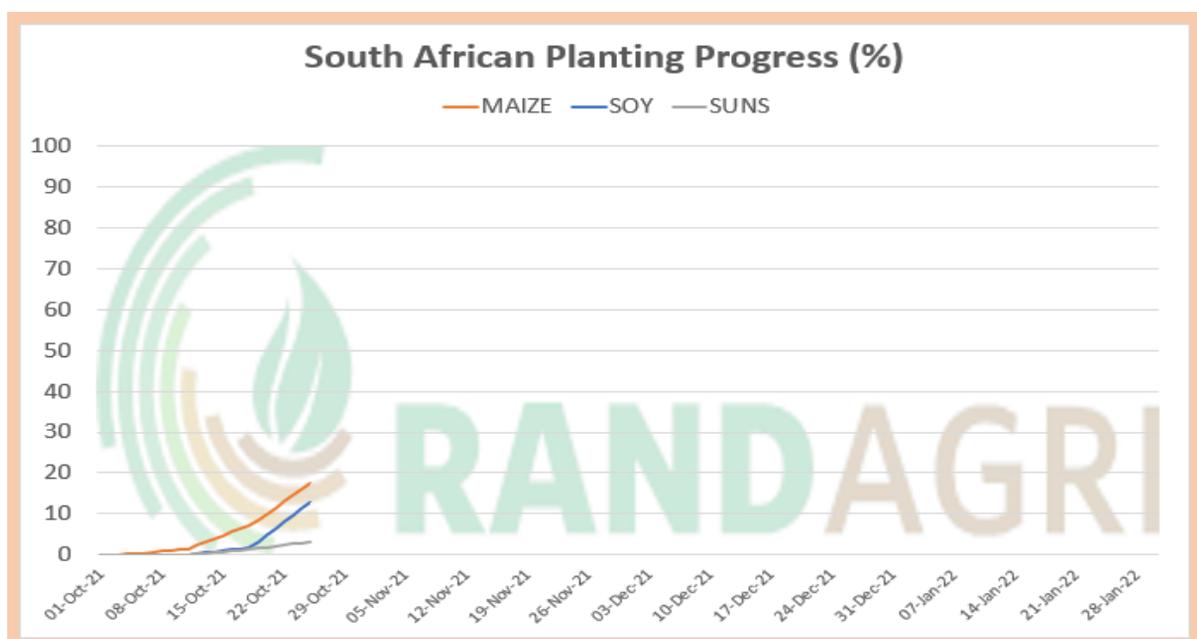
MARKET BRIEFING

US WHEAT

- World ending stock (wheat) estimates at 277 million tonnes.
- Russia's 2022 winter wheat rose 7% to 80.7 million tonnes.
- Reports indicating that China struggled to plant its winter crops contributed to a sudden rally in the world wheat market for much of last week.
- The USDA reported 81% of winter wheat planted as of October 24. The first USDA condition ratings for the 2022 winter wheat crop are due, with expectations of 54% of the crop rated good/excellent.

BRAZIL (MAIZE) CORN

Brazil's corn imports increased to 436 607 tonnes in the first 15 business days of October, surpassing 190 810 tonnes imported in the whole of October 2020, customs data showed. Brazil already imported 1,63 million tonnes of corn during January-September, compared with 1,37 million tonnes for the whole of 2020, according to customs data. Brazil's corn production output in 2020/21 dropped sharply due to drought and frost, which has reduced the quantity available for exports and increased demand for imports.



KAROO WEATHER

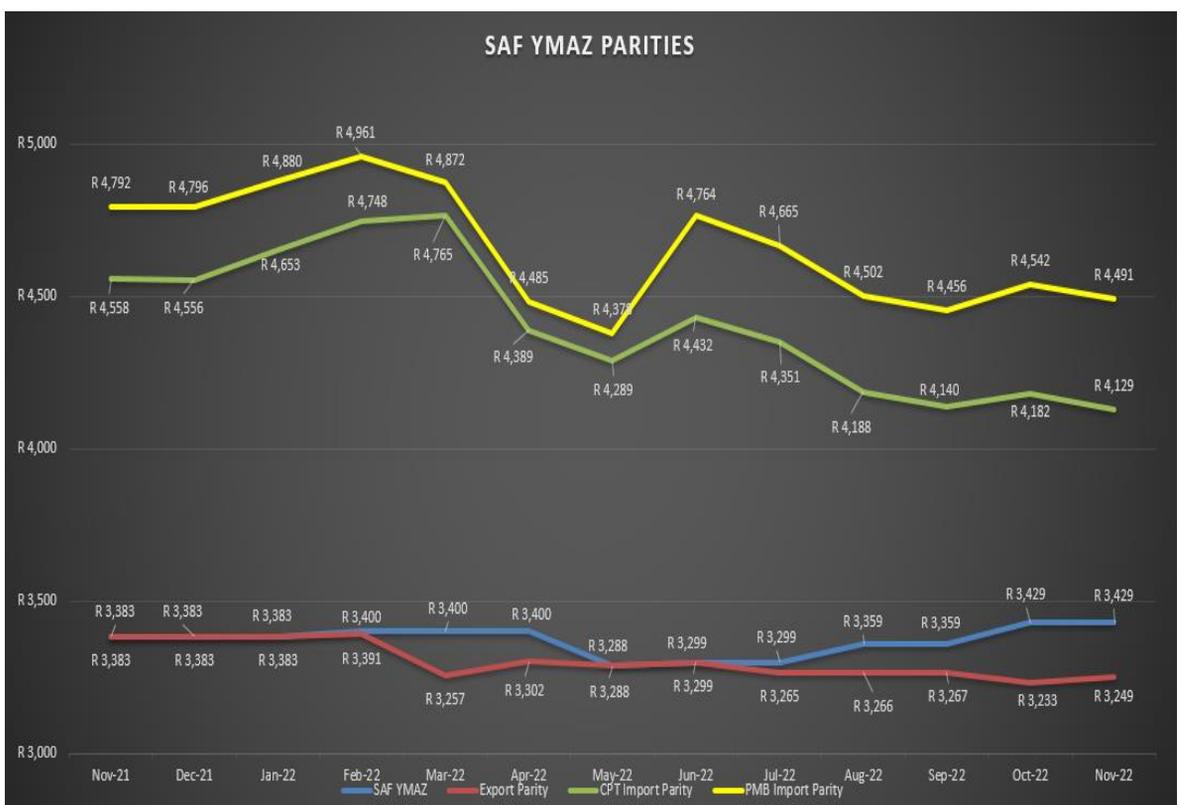
The South African Weather Service reported only 2mm rain for Sutherland and Springbok, and 6mm for Nieuwoudtville, while other areas such as Pofadder recorded up to 48mm, 33mm in Brandvlei and 37mm in Upington. Further good rainfall was recorded in the Klein Karoo with 41mm of rain in Oudtshoorn and 57mm in Ladysmith.

PARITIES

YELLOW MAIZE

	Dec'21	May'22	Jul'22	Sept'22
PMB-import parity	R4 796	R4 378	R4 665	R4 456
CPT-import parity	R4 556	R4 289	R4 351	R4 140
SAFEX-yellow maize	R3 383	R3 288	R3 299	R3 359
DBN-export parity	R3 383	R3 288	R3 265	R3 267

December 2021 and May 2022 yellow maize SAFEX price is currently trading at Durban export parity.



AFRICAN AGRICULTURE

NAMIBIA



POPULATION:
2,6 million



GRAIN PRODUCTION:
165 000 tonnes grain



IMPORT OF COMMODITIES:
66% of total imports from South Africa



MAIN IMPORTS:
Food products, petroleum and fuel



EXPORT OF COMMODITIES:
Mainly to South Africa - 27% of total

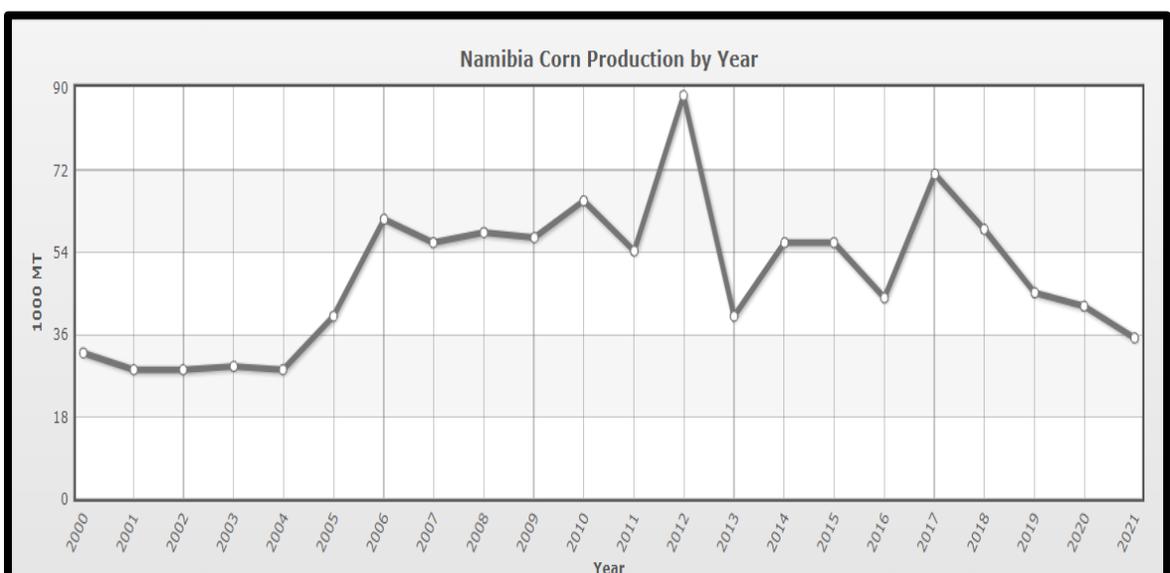


MAIN EXPORTS:
Diamonds, uranium, lead

Two thirds of Namibia’s agricultural production consist of livestock farming, with crop farming and forestry covering only one third of total production. 67% of Namibia’s total exports consists of live animals. In 2019 Namibia exported a total of 11 249 tonnes of meat and in 2020 Namibia become the only African country to export beef to the United States.

Charcoal production in Namibia is an important part of on-farm diversification and offers farmers a valuable source of additional income, according to Thinus Pretorius, chairperson of the Namibian Livestock Producers’ Organisation (LPO). Pretorius also manufactures charcoal on his farm in the Otjiwarongo district. According to him, Namibia exported 210 000 tonnes of charcoal in 2020, which added R700 million to the country’s GDP.

Namibia has established policies to control the trade of maize, wheat, millet and any products thereof to protect local farmers and to encourage greater production. These policies are also in place to ensure that Namibia’s food security goals are reached. To trade with these grains, special permits are required for each one and these can only be issued by the Agronomic Board or the Minister of Agriculture, Water and Land Reform.



Namibia’s maize production 2000-2021

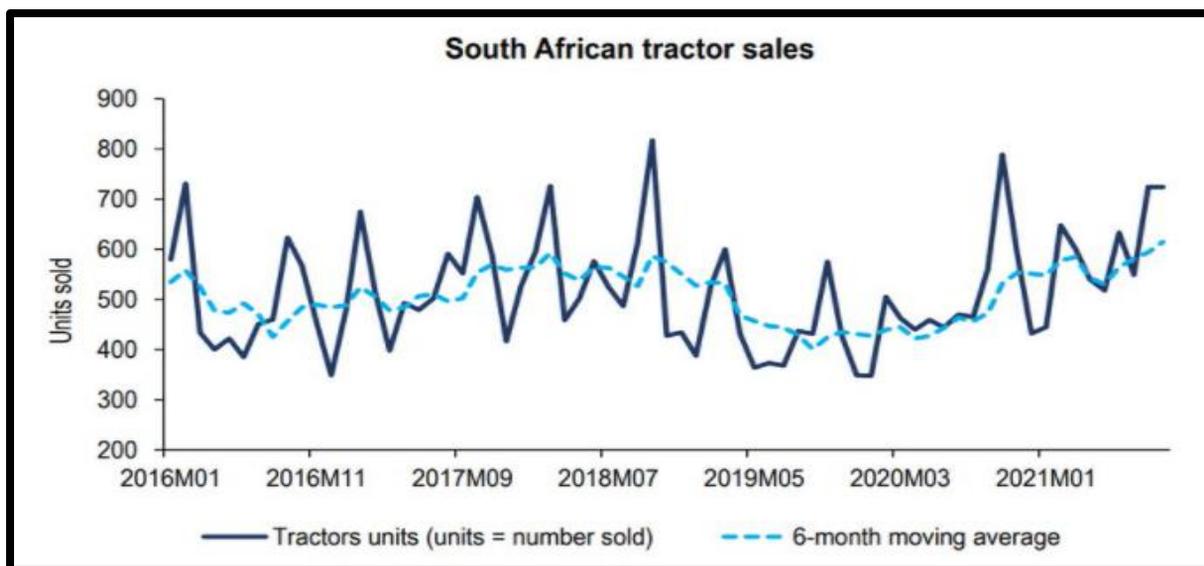
FIELD AGENT OVERVIEW

According to an Agbiz report, South African tractor sales increased by 29% in September 2021, with a total of 724 tractors sold. This increase in sales has resulted in tractor sales for the first eight months of 2021 standing at 5 382 units, which is up by 30% since the previous year. Tractor sales in 2020 amounted to a total of 5 738 tractors sold for the whole year, an increase of 9% since 2019.

The report also stated that the strong increase in sales was supported by the large summer grain harvest as well as the oilseed harvest in 2019/20. 2020/21's bumper agricultural season and higher commodity prices boosted farmers' finances, leading to increased machinery sales.

The data also indicated that the sales would continue to increase because of farmers' hopes for the 2021/22 summer crop production season, with planting already under way in the eastern areas.

A good weather outlook, with prospects of La Niña and appealing grain prices, are among other reasons which could contribute to a potentially successful 2021/22 season. With the future in mind, it may look as if agricultural machinery sales will stabilise in the last quarter of the year since input costs are expected to rise due to possible increases in prices of fertilisers. However, total sales for this year could still exceed last year's, sales considering the tempo of sales over the previous nine months.



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