

WEEKLY

FOOD-FOR-THOUGHT



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INTERNATIONAL WEATHER

SOUTH AMERICA

Isolated showers moved through **Argentina** this weekend and will be more widespread this week as a couple of rounds of showers are expected from some slow-moving systems. That will favour corn (maize) and soybean planting as well as immature winter wheat.

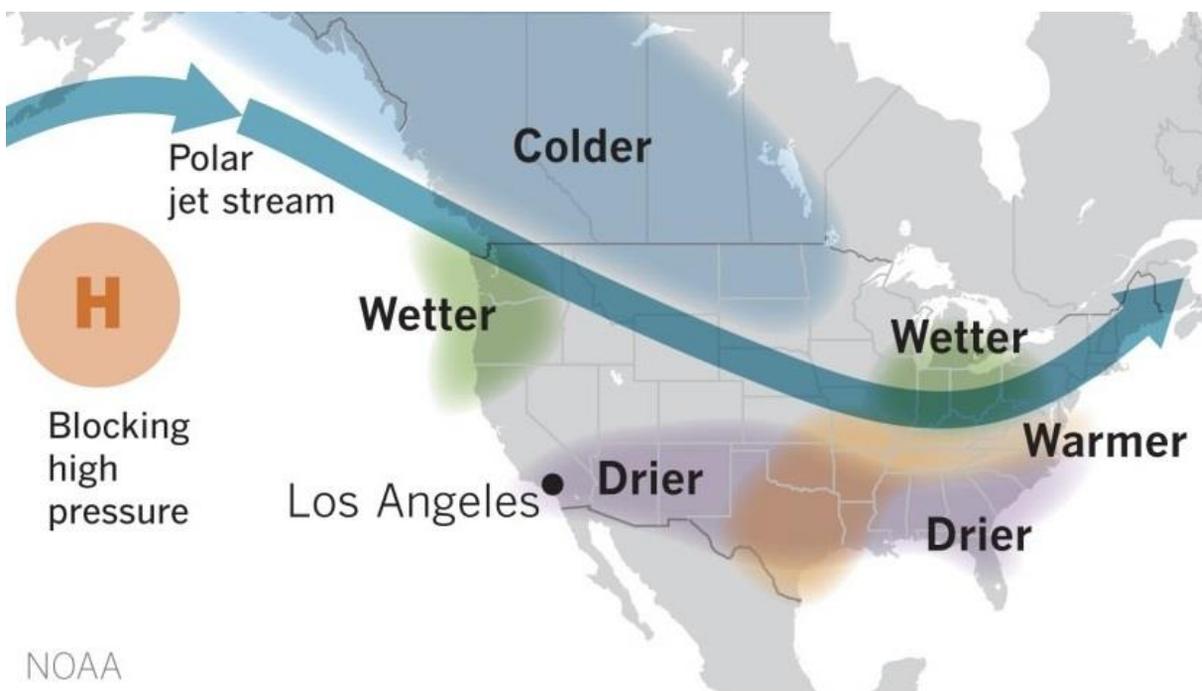
Brazil's overall weather conditions are favourable for soybean and full-season corn (maize) planting and early growth. Some dry periods will also favour winter wheat harvest over the south.

LA NIÑA WATCH

La Niña conditions are apparent over the equatorial Pacific Ocean, leading to stronger-than-average low-level easterly winds across the Pacific. La Niña conditions for a second year in a row could have far-reaching effects on Brazilian corn production and on corn supplies in the US.

A La Niña event correlates strongly with increased levels of drought and reduced corn yields in Brazil, the world's number two corn exporter. Previous La Niña years have seen year-on-year corn production declines of up to 20% in Brazil.

How a typical La Niña looks



MARKET BRIEFING

Wheat

Global wheat prices increased last week, pushed up by continued tight supplies. International demand remains strong, with last week's tenders including the world's top importer, Egypt.

Russia's export tax is set to rise from 10 November to \$69.90/t. The tax is calculated from export prices and is a factor slowing exports from the country. Slower exports from Russia are contributing to the squeeze in wheat availability. **Last year, Russia was the world's top exporter of wheat**

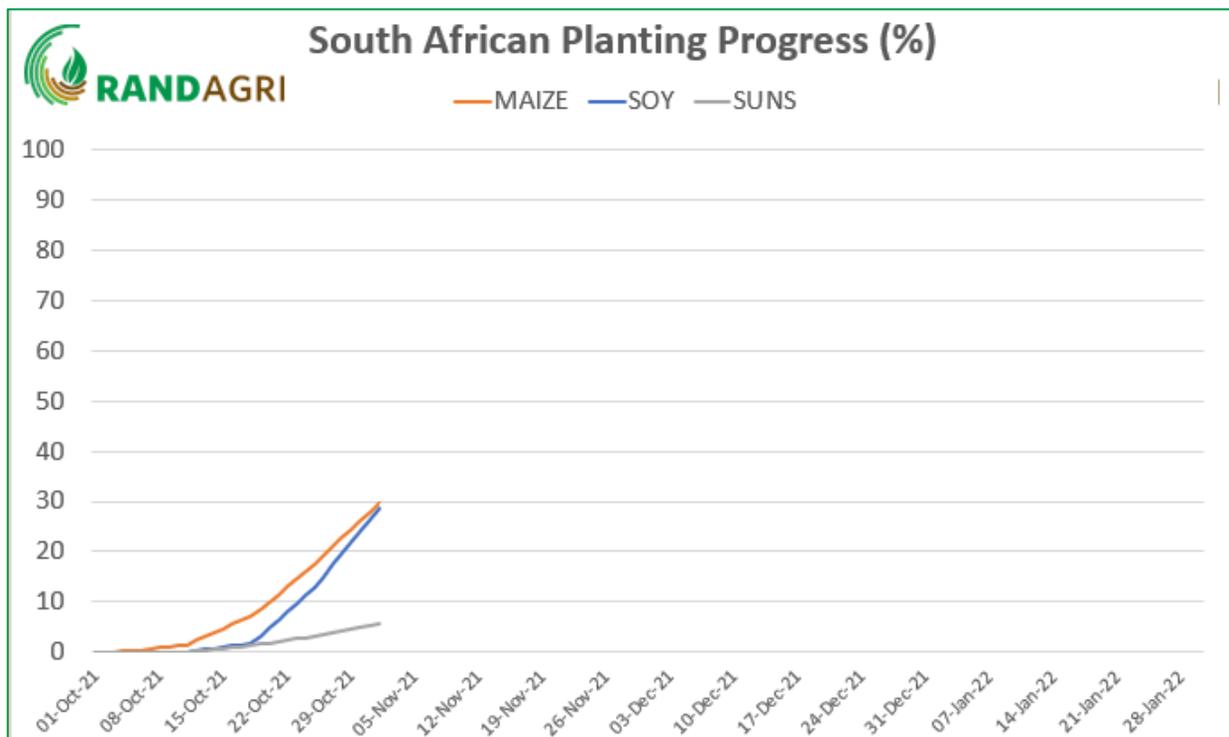
UkrAgroConsult reported this week that Ukraine's fields are 'badly short of soil moisture', which could adversely affect both crop survival in winter and productivity in 2022.

Maize

US maize prices increased last week, due to rain delaying harvest of the 2021 crop and another week of high ethanol production – the second highest on record. If sustained, this trend could tighten the US and global market. More wet weather is also expected this week, which could also bring short-term support.

Brazil's Mato Grosso Institute of Agricultural Economics estimates that 19.3% of maize produced locally will be used for ethanol production.

Northern hemisphere supply (US, Canada, Russia) saw production cuts this season, due to dry weather curbing yields. Southern hemisphere crops are expected to be large, which may alleviate some supply concerns, and the Australian harvest is now underway.

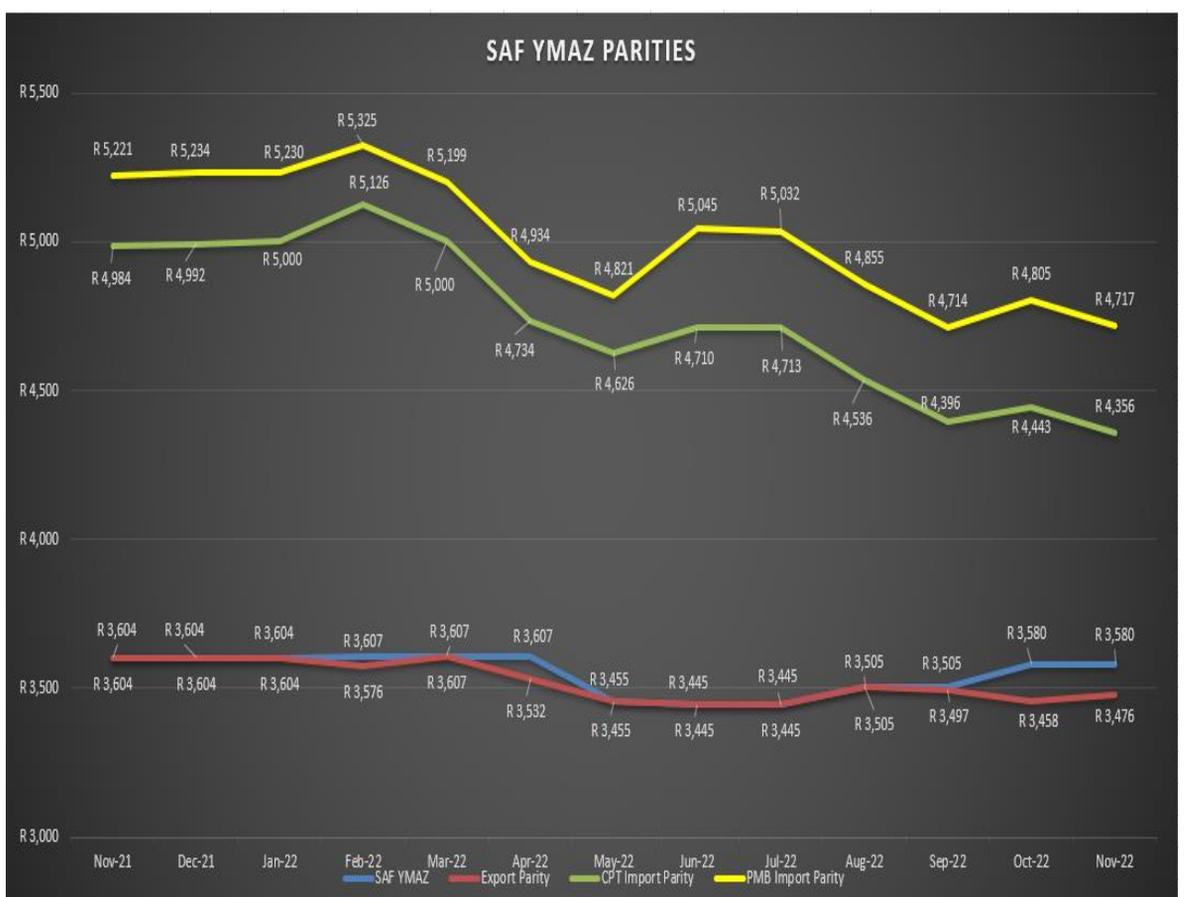


PARITIES

YELLOW MAIZE

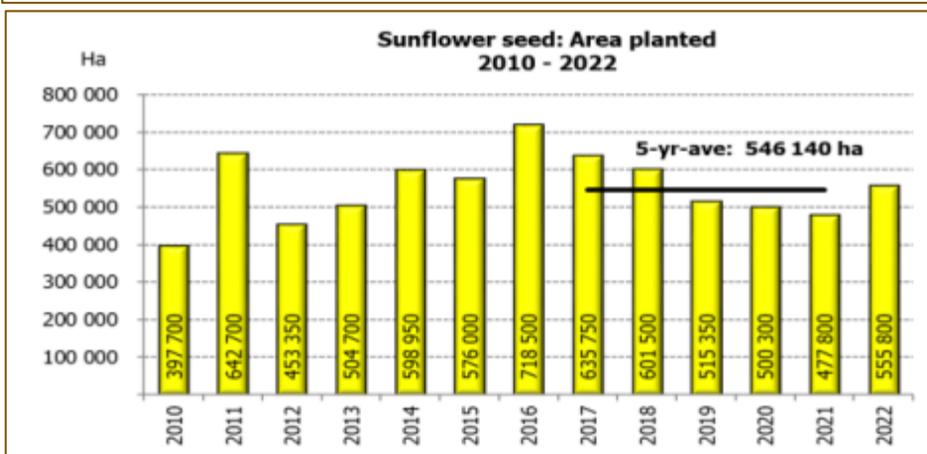
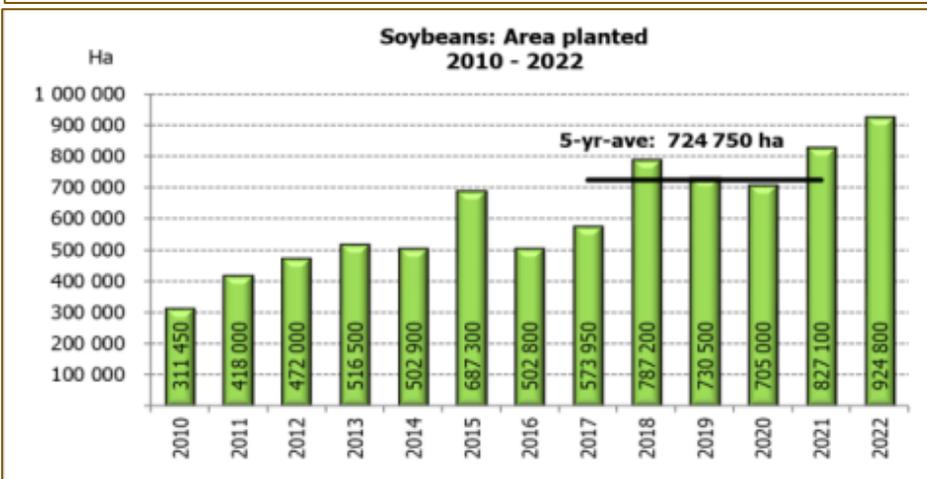
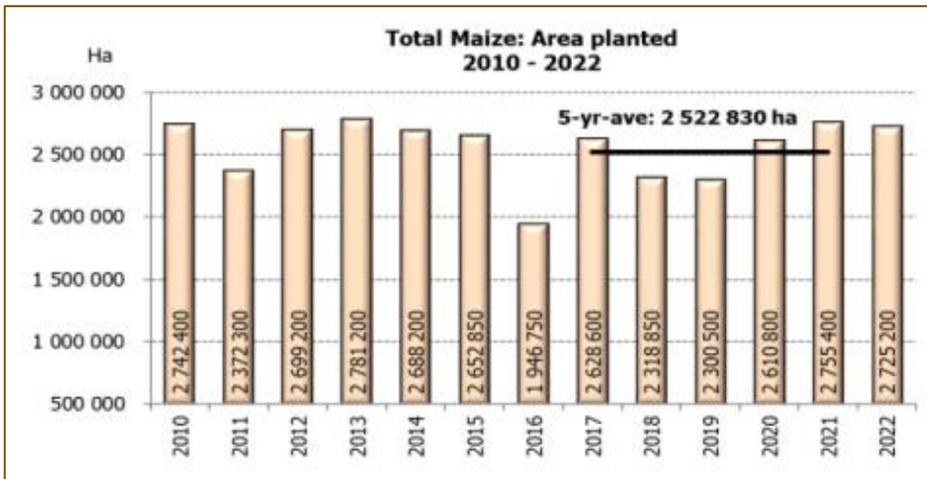
	Dec'21	May'22	Jul'22	Sept'22
PMB-import parity	R5 234	R4 821	R5 032	R4 714
CPT-import parity	R4 992	R4 626	R4 713	R4 396
SAFEX-yellow maize	R3 604	R3 455	R3 445	R3 505
DBN-export parity	R3 604	R3 455	R3 445	R3 497

December'21; May'22 and July'22 yellow maize SAFEX price is currently trading at Durban export parity.



FIELD AGENT OVERVIEW

INTENTIONS' OF LOCAL PRODUCERS TO PLANT SUMMER CROPS FOR 2022



CONTACT US

+27 (013) 243 1166
Info@randagri.co.za
www.randagri.co.za

