

WEEKLY

FOOD-FOR THOUGHT



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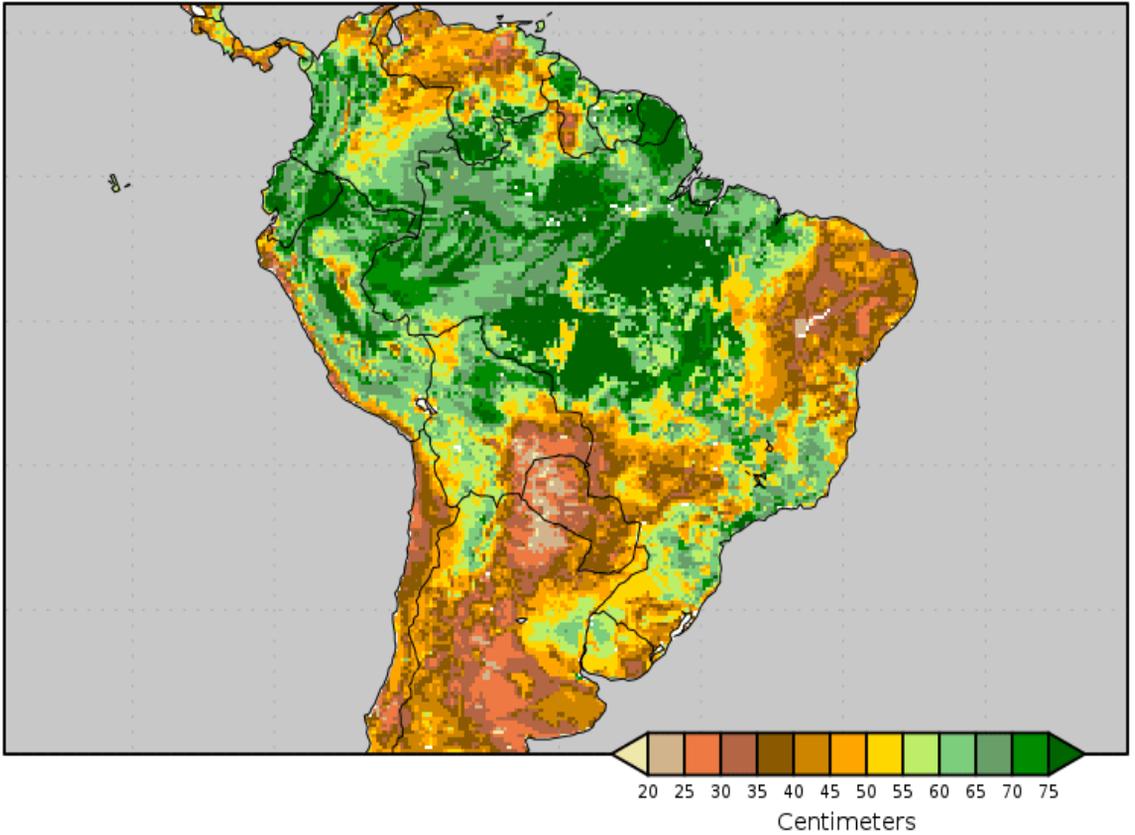
INTERNATIONAL WEATHER

SOIL MOISTURE OUTLOOK FOR SOUTH AMERICA

Initial Soil Moisture

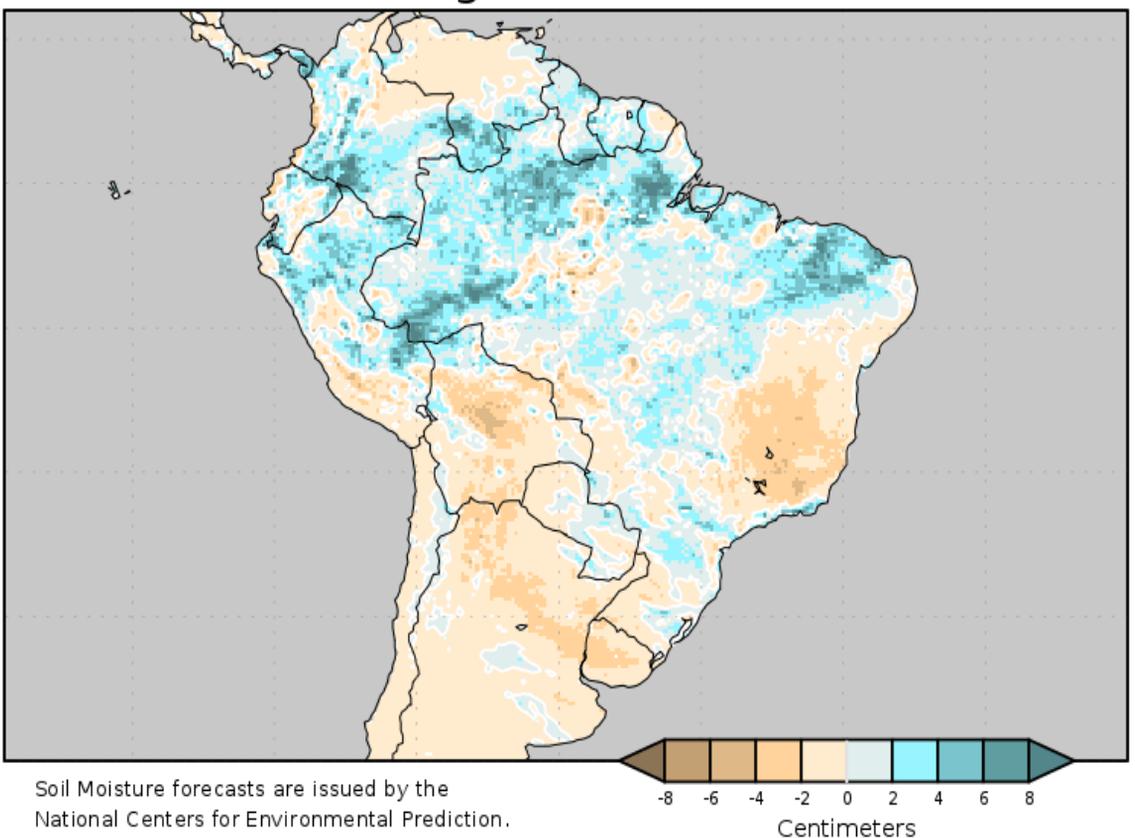
Liquid Water in top 2 meters of soil

Valid time: Tue, 15 MAR 2022 at 00Z



Soil Moisture Change

00Z 15 MAR 2022 to 00Z 23 MAR 2022

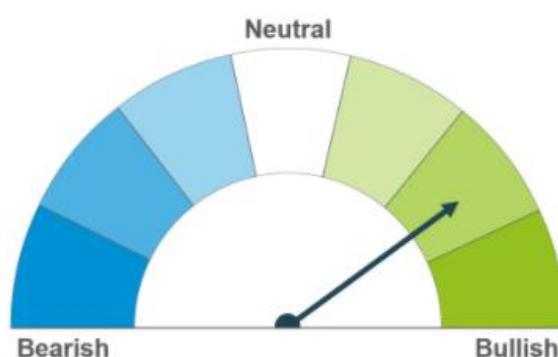


Soil Moisture forecasts are issued by the National Centers for Environmental Prediction.



MARKET BRIEFING

- **Ukraine**, a major global producer of agricultural products, has banned exports of fertilisers as a result of the Russian invasion, the agriculture ministry said on Saturday.
- In **South America**, early March rains are benefiting Argentina maize and soybean crops, but it is too little too late for the far southern regions of Brazil. The moisture is likely to help stabilise Argentina's later planted maize and soybean crops and could benefit the most recently planted soybean crops in Brazil's most southern state, Rio Grande do Sul.
 - Brazilian farmers in the Centre-South had sown 94 percent of their second crop of maize through the end of last week, agribusiness consultancy AgRural said on Monday, as growers rush to plant their crop within the ideal climate window. *The government forecasts that Brazil's maize production will grow by 29 percent this season, reaching 112.3 million tonnes, including first- and second-crop maize.*
- In **Brazil**, drier trends could creep back into areas of Rio Grande do Sul, but most of the country is expected to trend near to wetter than normal for the week. Although the wetter trends could disrupt soybean harvest and safrinha corn (maize) planting, the additional moisture could benefit maize crop health in states like Paraná where soil moisture content has been improving but is still sub-par.
- **Argentina** has halted export registration for soybean oil and meal. Argentina's soy oil and meal exports are currently taxed at 31 percent. The country's 2021/22 soybean crop is estimated at between 40 million and 42 million tonnes, though was hit hard by drought at the start of the year.
- **Southwestern Kansas (top U.S. wheat-producing state)** has not received much measurable rain or snow since October. More than half of Kansas was classified under severe drought or worse as of March 8, the driest conditions since 2018, according to the National Drought Mitigation Center.
- **Wheat market outlook:** With the Black Sea market turmoil still shaping grain markets, the long-term outlook continues to be uncertain. Disruption to Black Sea markets will remain in the short term, with more buyers looking to EU supplies to shore up any supply gaps caused by the conflict. After last week's buying rally, managed money funds could be considered overbought if the more positive tone to the Russia-Ukraine talks continues.





MARKET CRISIS HIGHLIGHTS

FOUR FACTORS DRIVING THE CURRENT MARKET RALLY:

- **Record import demand from China:** After the COVID-induced sell-off until late in 2020, China needed to rebuild its grain reserves and has been a frequent buyer of U.S. grain - and continues to buy.
- **South American crop weather:** Dry weather has driven down South American grain and oilseed crop forecasts.
- **The hedge on inflation:** Markets have benefited from significant long positions in grain markets, affecting global demand.
- **The Russian invasion of Ukraine:** Grain strategists say the ongoing conflict in Ukraine has driven more uncertainty across the globe, especially in supply chains with a halt in Ukrainian exports. Trading volatility is expected to continue for a while.

The Ukraine grain export halt offers an opportunity for other grain-producing countries, including South Africa, as the world markets need to source grain

Both Russia and Ukraine play a significant role in global agricultural markets and world food supply, especially in Africa.



RSA FOOD SECURITY

- Russia accounts for 10% of global wheat production and Ukraine 4%.
 - African countries imported roughly US\$4 billion agricultural products from Russia in 2020.. Wheat made up nearly 90% of these imports.
- Over the same period, Africa imported agricultural products worth US\$2.9 billion from Ukraine -48% of this was wheat and 31% was maize.
- South Africa relies on Russia and Ukraine for roughly 30% of its wheat imports.

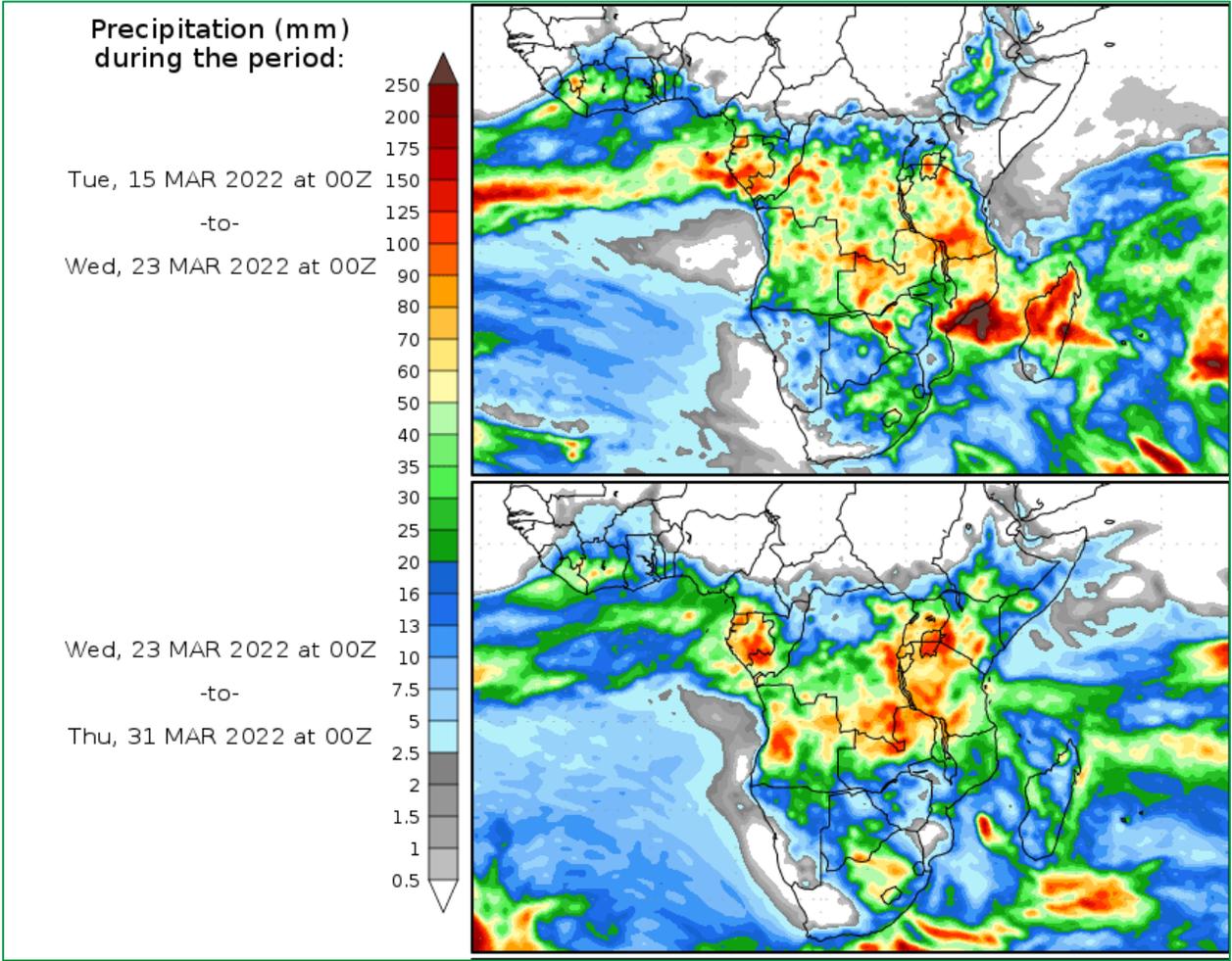




LOCAL AGRICULTURAL NEWS HIGHLIGHTS

- Africa's richest man, Aliko Dangote, has called for a ban on exports of maize out of Nigeria, to make the country self-sufficient (ensure food security) amid the ongoing war between Russia and Ukraine. He envisaged that there would also be a shortage of wheat and other products in the next two to three months due to the war affecting access to fertiliser.
- Syngenta announced a new seed treatment option for early-season insect and disease prevention in soybean crops. [Read more](#)

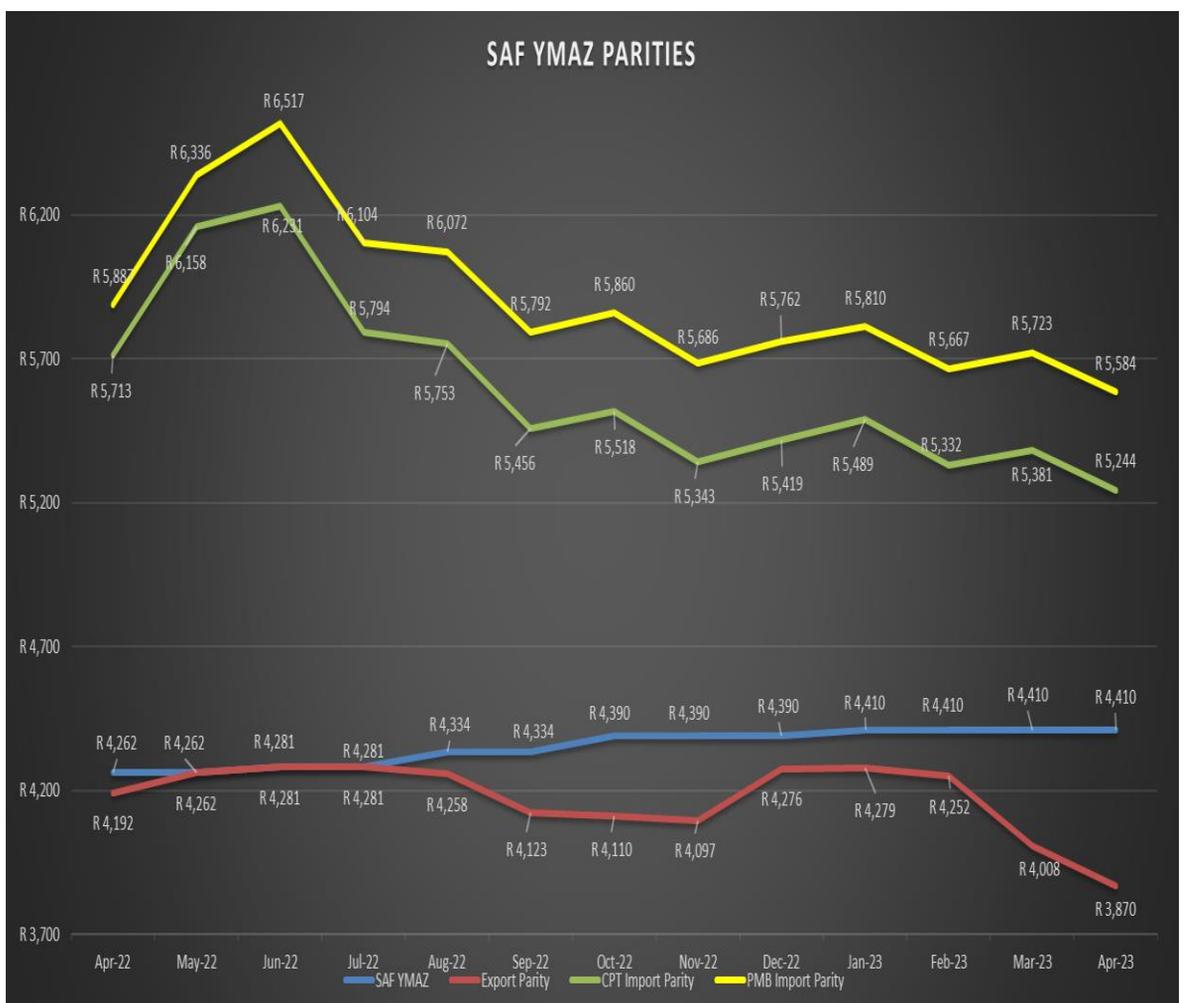
SOUTH AFRICA SOIL MOISTURE FORECAST



PARITIES

YELLOW MAIZE

	May'22	Jul'22	Sept'22	Dec'22
PMB-import parity	R6 336	R6 104	R5 792	R5 762
CPT-import parity	R6 158	R5 794	R5 456	R5 419
SAFEX-yellow maize	R4 262	R4 281	R4 334	R4 390
DBN-export parity	R4 262	R4 281	R4 123	R4 276



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