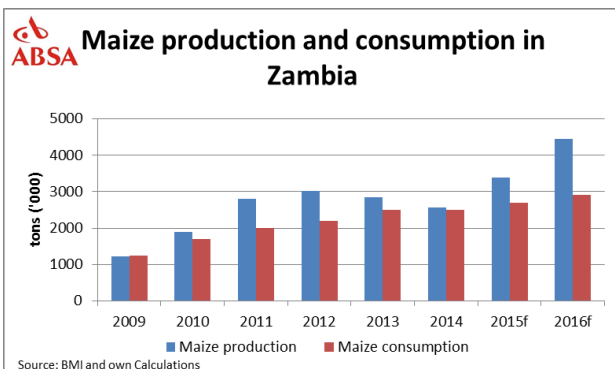


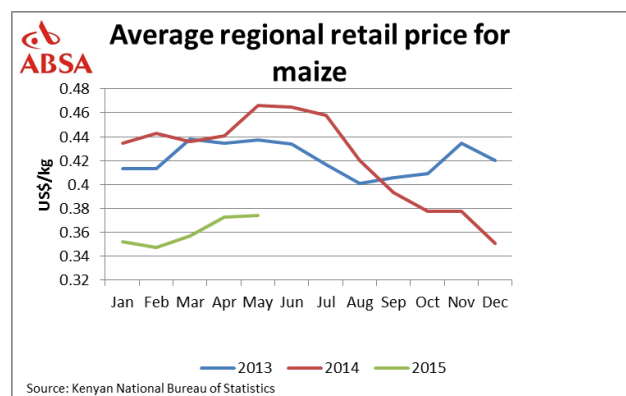
## Zambia

The Ministry of Agriculture and Livestock has estimated the 2014/15 maize production at 2.6 million tons. This estimate is 10% lower than the 5 year average of 2.86 million tons, due to droughts in the southern regions. According to the Zambian National Farmers' Union (ZNFU), farmers also struggled to buy fertiliser on time which contributed to the decrease. In spite of lower production, Zambia still expect a surplus of 876 768 tons for exports. Zambia has an opportunity to export maize to Zimbabwe due to their severe drought this past season. This could implicate low carry over stock next season for Zambia and higher maize prices. Copper comprises 70% of Zambia's exports. Early in June copper prices dropped which caused the Zambian government to take on more debt implicating a weaker currency due to a low balance of payments. Due to the high import levels of various commodities into Zambia, the country is subject to inflationary pressures. The JSE limited has acquired the license to set up trading platforms for maize, wheat and soybean in Zambia. They are busy establishing good storage facilities and ascertaining the markets in order to create liquidity in the grain market. The Grain Traders Association of Zambia's (GTAZ) reference price on the 29 May for maize is US\$195/t, wheat is US\$470/ton and soybean is US\$453/ton.



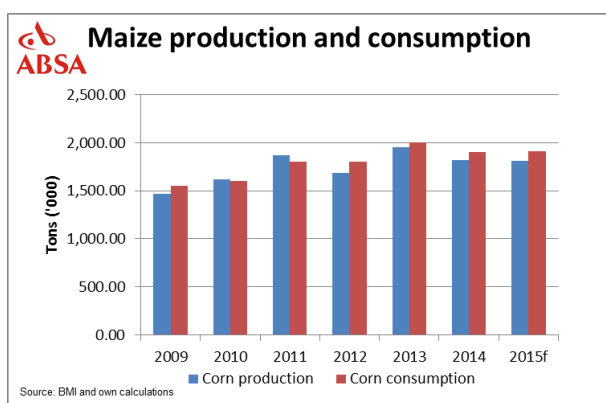
## Kenya

Kenya experienced a poor grain harvest in 2014/15 on the back of unfavourable weather conditions. Improved production of maize, wheat and rice in Kenya is expected for the 2015/2016 season. There are a few factors which continue to limit production of maize in the country ranging from the insufficient and irregular rainfall, the spread of the Maize Lethal Necrosis (MLN) disease, as well as the limited access to seeds for the popular hybrid maize varieties. Retail prices for maize and maize by-products have stabilized in the last year as a result of the large inflows of imported maize and maize by-products. Maize prices are currently lower than prior years. The pressures on prices were from higher imports at lower prices and sufficient availability of carryover stocks. Wheat production in the 2014/2015 season has been significantly affected by drought conditions and increased incidence of wheat stem rust thereby causing a shortage of wheat.



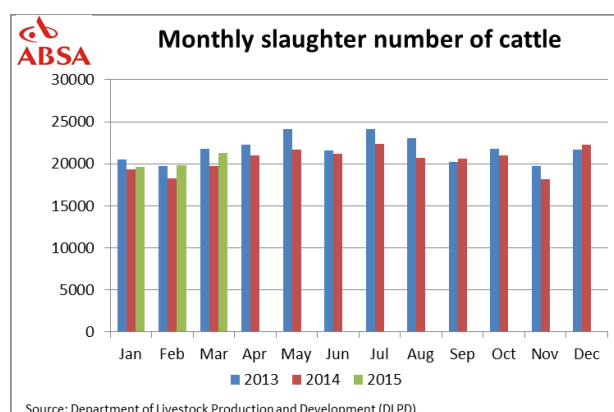
## Ghana

Maize contributes two thirds of Ghana's grain production which is mainly produced by small scale farmers. Maize production for the 2014/15 season is estimated at 1.8 million tons. Due to favourable climatic conditions this will be the fourth largest harvest on record. Owing to the depreciation of the Ghanaian Cedi the forecasted production of maize is expected to stagnate. This depreciation is negatively impacting on import inputs such as machinery and fertiliser. The 50% fertilizer subsidy initiated in 2008 is slowly improving production. The livestock industry is expected to grow in the long term due to government support, marketing and private investment. Poultry output growth in Ghana is predicted to outperform both pork and beef in the long term due to the import restrictions on poultry that was put into place in 2014. In the short term however the local market will continue to rely on the international supply of poultry until local facilities are established and the recent outbreak of bird flu is under control. In the short term pork is expected to increase more than the beef and poultry due to domestic production of pork satisfying most of the local demand.



## Zimbabwe

Maize prices have increased in spite of harvest pressure, with the national average in May approximately 15% higher than last year's average. This is due to dry production conditions during 2014/15 season, which could also mean difficult times for the feed industry as maize is the biggest contributor in feedstock. However, the season's harvest is limiting further increases in prices as it puts a downward pressure on prices. Good harvest during 2014 meant that the feed sector's requirements were mostly satisfied locally. Towards the end of 2014 and the first quarter of 2015, local production of maize started to decline and the sector had to import. Zimbabwe is expecting to import 700 000 tons of maize, however due to South Africa's drought they are going to have to look at alternative markets such as Zambia. Recent dry conditions will result in reduced natural grass during the dry season in the main beef producing regions, which might result in destocking of the beef herds. Slaughtering could increase in 2015 however during 2016 slaughter numbers may decrease as farmers increase their herds.



Sources: Livestock and Meat Advisory Council, Few's Net, Department of Livestock Production and Development (DLPD), BMI, The Economist, Oanda, Ghana Web.