



# THE WEEKLY AGRO WATCH



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## Industry Update

### U.S. 2015/16 Wheat Export Projections fall to 22 million Metric Tons

The United States 2015/16 wheat export projections have reduced to 22 million tons as the U.S. continues to lose market share in global wheat trade. The 22 million tons export projection is the lowest since 1971/72 when the U.S wheat exports totaled 16 million tons. However, world wheat trade is projected to be slightly higher due to higher exports in Canada, EU, Brazil, and India.

### South Africa introduces ZAR 958 levy on red meat imports.

The South African government has introduced a ZAR 958 levy per consignment of red meat imported into the country. The levy is with effect from 1<sup>st</sup> November 2015 and is aimed at funding red meat research and development, production development, consumer communication and education among others.

## Exchange Rates

CURRENCY	16/11/2015						02/11/2015					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
<b>FNB</b>	11.99	12.23	0.84	0.85	18.25	18.61	12.44	12.70	0.91	0.93	19.20	19.59
<b>Standard Chartered Bank</b>	11.90	12.14	0.83	0.84	18.12	18.14	12.43	12.68	0.91	0.93	19.20	19.58
<b>ZANACO</b>	11.89	12.21	0.83	0.84	-	-	12.47	12.71	0.91	0.92	19.23	19.61
<b>Bank of Zambia</b>	12.01	12.01	0.84	0.84	18.27	18.30	12.56	12.58	0.913	0.914	19.41	19.44

## Parity Prices

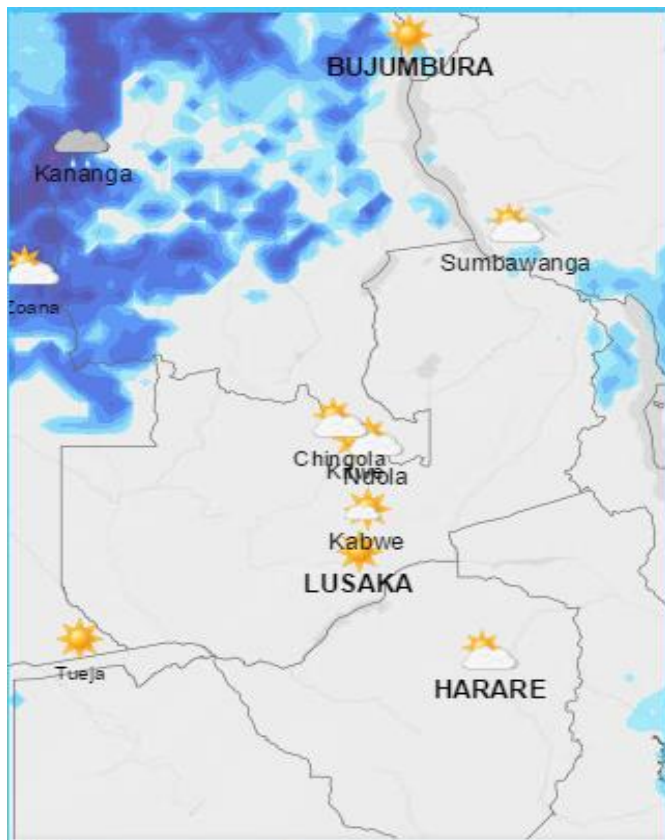
Domestic Import Parity Prices as at 13/11/2015					
US\$/ZAR=14.31 US\$/ZMW=12.23					
Parity Prices		U\$/ZMW	Maize	Soya	Wheat
Lusaka		12.23	394.4	594.64	488.76
Town	Ex-Lusaka freight (ZMW)	\$	\$	\$	\$
Chipata	275	22.49	416.89	617.13	511.25
Mkushi	225	18.40	412.80	613.04	507.16
Ndola	250	20.44	414.84	615.08	509.20
Kitwe	250	20.44	414.84	615.08	509.20

Export Parity Prices ( Lusaka- Harare ) in US\$/ton	
Soya Beans	505-525
Wheat	349-427
Maize	198-222

*Note: Wheat export parity price calculations based on Zimbabwe's Grain Marketing Board Prices while computation of soya beans and maize prices was based on offers by private sector players.*

## Weather Forecast

The table summarizes the weather forecast for some selected towns for the period 18<sup>th</sup> to 23<sup>rd</sup> November 2015. Generally rainfall activity is expected to increase in most parts of the country.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> <li>➤ On 21<sup>st</sup> rains are expected while, heavy Rains are expected of about 10.1 mm and 13.9 mm on 22<sup>nd</sup> and 23<sup>rd</sup> respectively. The rest of the week is forecast to be partially cloudy to cloudy.</li> <li>➤ Average daily Temps: 24-31°C</li> </ul>
Mkushi	<ul style="list-style-type: none"> <li>➤ Rains are expected on 17<sup>th</sup> of about 2.2mm, while further rain activities are expected on 21<sup>st</sup>, 22<sup>nd</sup> and 23<sup>rd</sup> that with a forecast of 4.6mm. The rest of the week is anticipated to be mostly partially cloudy to cloudy.</li> <li>➤ Average daily Temps:26-33°C</li> </ul>
Kabwe	<ul style="list-style-type: none"> <li>➤ Rains of about 4.0mm are expected on 17<sup>th</sup>. Heavy Rains are expected of about 6.3 mm and 9.7mm on 22<sup>nd</sup> and 23<sup>rd</sup> respectively. The rest of the week is forecast to be partially cloudy to cloudy.</li> </ul>

Lusaka	<ul style="list-style-type: none"> <li>➤ Heavy Rains are expected on 22<sup>nd</sup> and 23<sup>rd</sup> respectively. The rest of the week is forecast to be partially cloudy to cloudy</li> <li>Average daily Temps: 21-36°C.</li> </ul>
Mazabuka	<ul style="list-style-type: none"> <li>➤ The week will be mostly cloudy with heavy precipitation expected on 21<sup>st</sup>, 22<sup>nd</sup> and 23<sup>rd</sup>.</li> <li>➤ Average daily Temps: 22-34°C.</li> </ul>
Choma	<ul style="list-style-type: none"> <li>➤ The week will generally have rains with 18<sup>th</sup>, 19<sup>th</sup> &amp; 21<sup>st</sup> having showers to rain while 22<sup>nd</sup> and 23<sup>rd</sup> will have heavy rains.</li> <li>➤ Average daily Temps:19-32°C</li> </ul>
Livingstone	<ul style="list-style-type: none"> <li>➤ The week is forecast to have rains 19<sup>th</sup> and heavy rains on 22<sup>nd</sup> and 23<sup>rd</sup>.</li> <li>➤ Average daily Temps:22-34°C</li> </ul>
Mongu	<ul style="list-style-type: none"> <li>➤ Rainfall forecast for the whole week with showers, light rains to heavy rains on Monday.</li> <li>➤ Average daily Temps: 20-31°C.</li> </ul>
Mansa	<ul style="list-style-type: none"> <li>➤ Rainfall forecast on 18<sup>th</sup>, 22 and 23<sup>rd</sup>.</li> <li>➤ Average daily Temps: 18-28°C.</li> </ul>
Kasama	<ul style="list-style-type: none"> <li>➤ The week will generally be clear to partially cloudy. Light rains to rain activities are forecast on 21<sup>st</sup>, 22<sup>nd</sup> and 23<sup>rd</sup>.</li> <li>➤ Average daily Temps: 18-29°C.</li> </ul>
Solwezi	<ul style="list-style-type: none"> <li>➤ Normal rains are expected on 18<sup>th</sup> and 23<sup>rd</sup>. While on 21<sup>st</sup> and 22<sup>nd</sup> heavy rains are anticipated.</li> <li>➤ Average daily Temps: 17-28°C.</li> </ul>
Chipata	<ul style="list-style-type: none"> <li>➤ The week is expected to have clear sky to partially cloudy.</li> <li>➤ Average daily Temps: 22-36°C.</li> </ul>

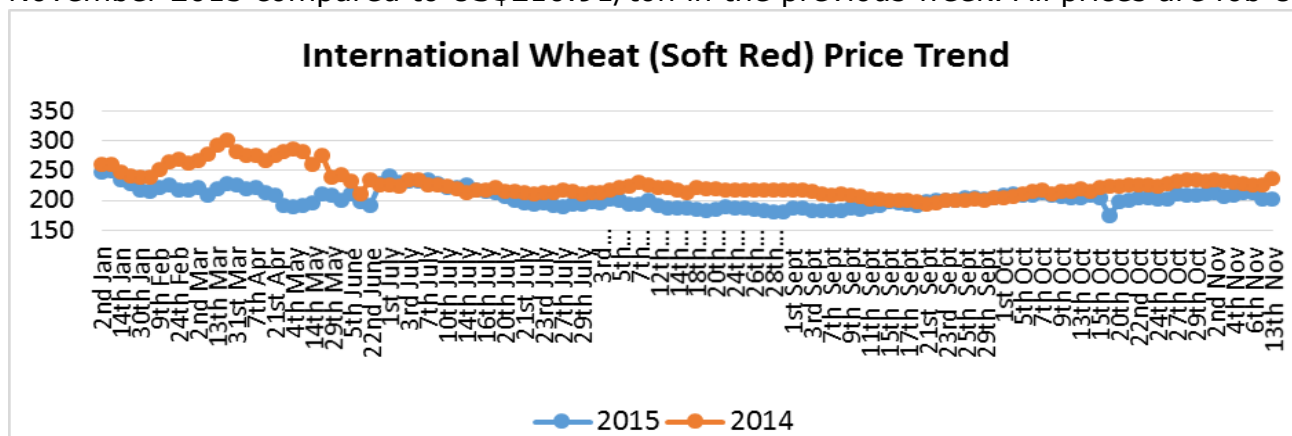
Source: Norway meteorological Institute

## Wheat Highlights

- Zambia's 2015/2016 wheat production is estimated at 309,100 Mt. A recent study on the Nation wheat consumption requirement pegged Zambia's 2015wheat consumption at 387,193 Mt. However, the Minister of Agriculture, Hon Given Lubinda assured the Union on Friday 13<sup>th</sup> November 2015 that he would not allow any imports to cover the short fall until all the 300,000Mt of the new crop have been moped out of the market.
- The November USDA report on global wheat supplies for 2015/16 are lowered 0.2 million tons, in comparison to the October estimates, on decreased beginning stocks partially offset by a small production increase. A 2.0-million-ton increase for EU production is partially offset by a 1.0-million-ton reduction for Australia and a 0.5-million-ton decrease for Russia. The global wheat crop for 2015/16 is now projected at 733.0 million tons, a third consecutive record.

## Price trends

The Safex international soft red wheat averaged US \$ 202.04/ton in the week ending 13<sup>th</sup> November 2015 compared to US\$210.91/ton in the previous week. All prices are fob US gulf.



Source: Safex

## Soya Beans

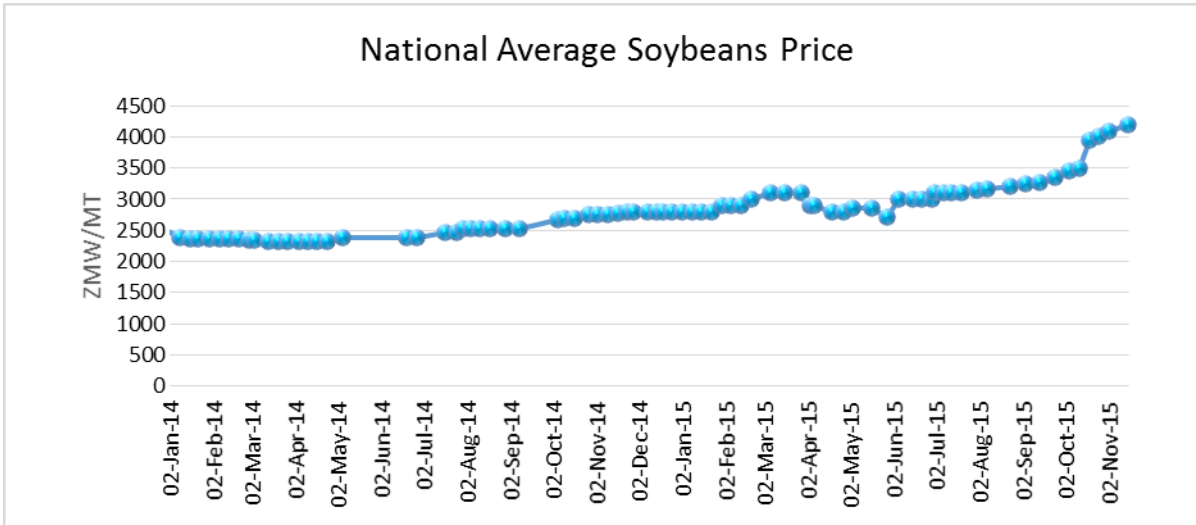
### Highlights

- South Africa's soya prices increased marginally by \$3.49 last Friday to close the week at \$396.57. The increase was largely due to higher parity prices which were supported by a weak South African Rand.

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- USDA has reported that global soybean production is projected at 321.0 million tons, up 0.5 million, with the larger U.S. crop offsetting reductions by India, South Africa, and Uruguay. The Indian soybean crop is reduced 1.5 million tons to 9.5 million on lower projected yields.
- Soybeans offer prices by traders captured by the ZNFU 4455 price information system were averaging ZMW4, 200/ton in the week ending 16<sup>th</sup> November, 2015.



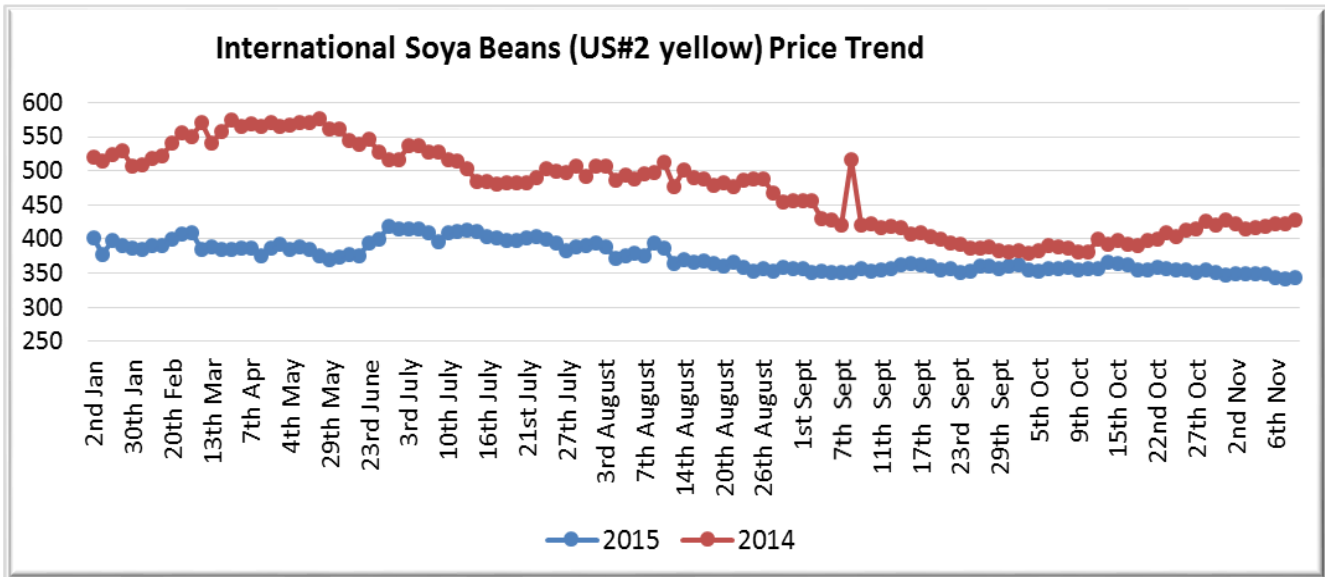
Source: ZNFU, 4455 Market Price Information System

**Price trends**

International prices of US No. 2 yellow soya beans on Safex averaged US\$342.95/ton in the week ending 13<sup>th</sup> November 2015 compared to US\$347.57/ton in the previous week. All prices are fob US gulf.

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Source: Safex

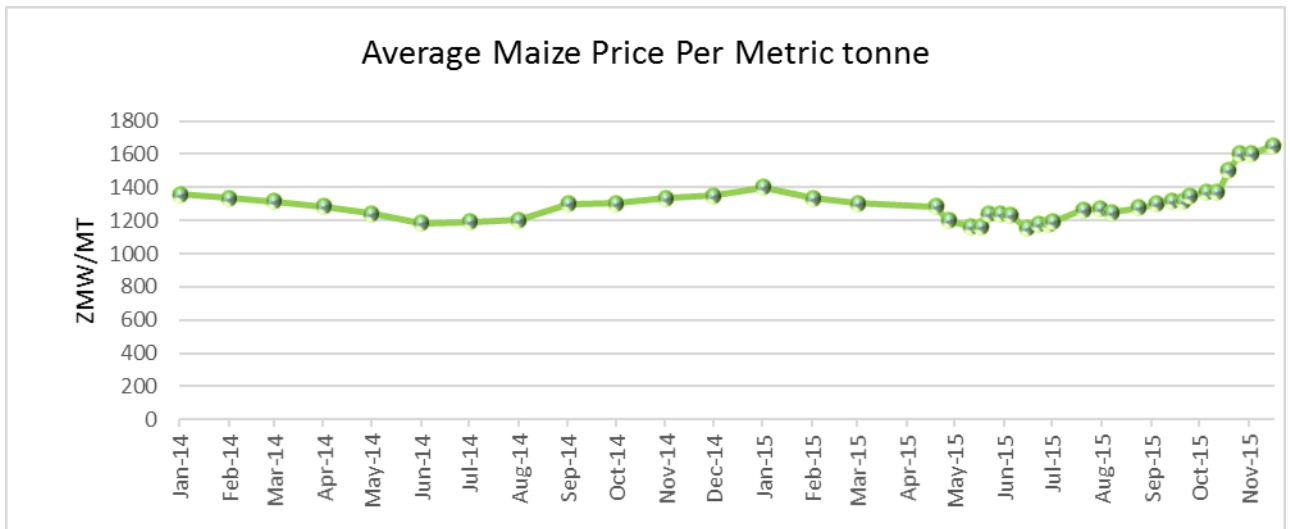
## Maize

### Highlights

- The Northern parts of Zambia has received sufficient rains to enable farmers start their farming activities for the 2015/2016 season. Unfortunately, some small scale farmers who supplied maize to FRA have not yet been paid, and have difficulties to purchase inputs for their agricultural activities.
- USDA reports that global coarse grain production for 2015/16 is raised 2.3 million tons with the largest increase for U.S. corn. Maize production is also increased for Argentina and Brazil, but lowered for Ukraine, South Africa, India, and EU. This brings global corn production projection to 974.8 million tons for the 2015/16 season.
- Indicative local offer prices were averaging ZMW1,650/MT with the highest offer pegged at ZMW2,100/MT on the ZNFU market price information system.

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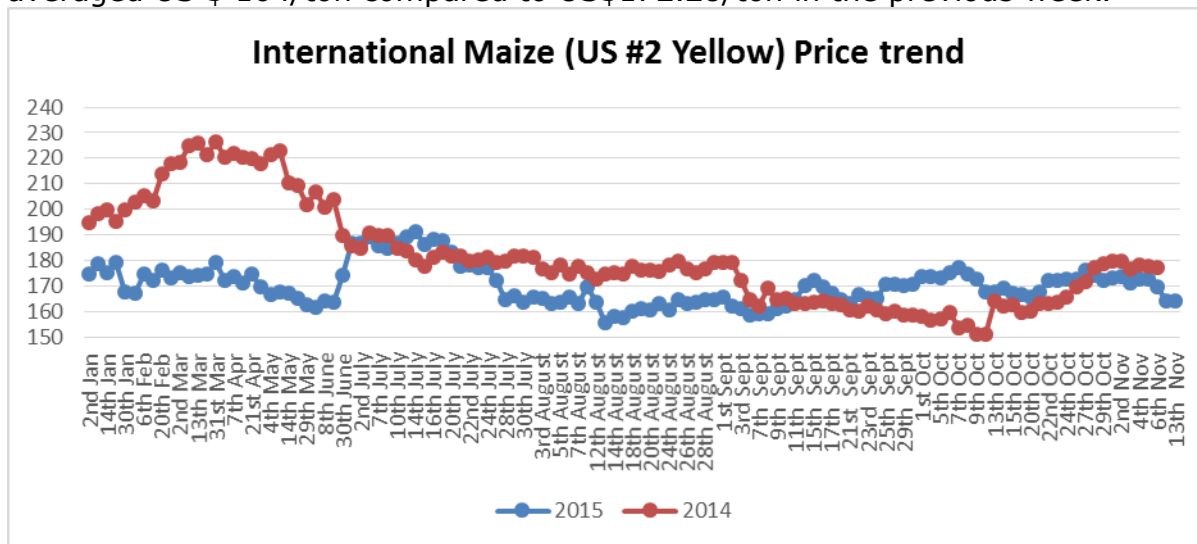




Source: ZNFU, 4455 Market Price Information System

### Price trends

The week ending 13<sup>th</sup> November 2015, international maize fob prices as recorded by Safex averaged US \$ 164/ton compared to US\$172.28/ton in the previous week.



Source: Safex

## Cotton

### Highlights

- This month's USDA report forecast a decrease in the 2015/16 world cotton production and consumption. The global production figure was lowered by more than one million bales for the second consecutive month. Global cotton production now stands at 22.998 million tons, down from the previous month's estimate of 23.380 million tons.

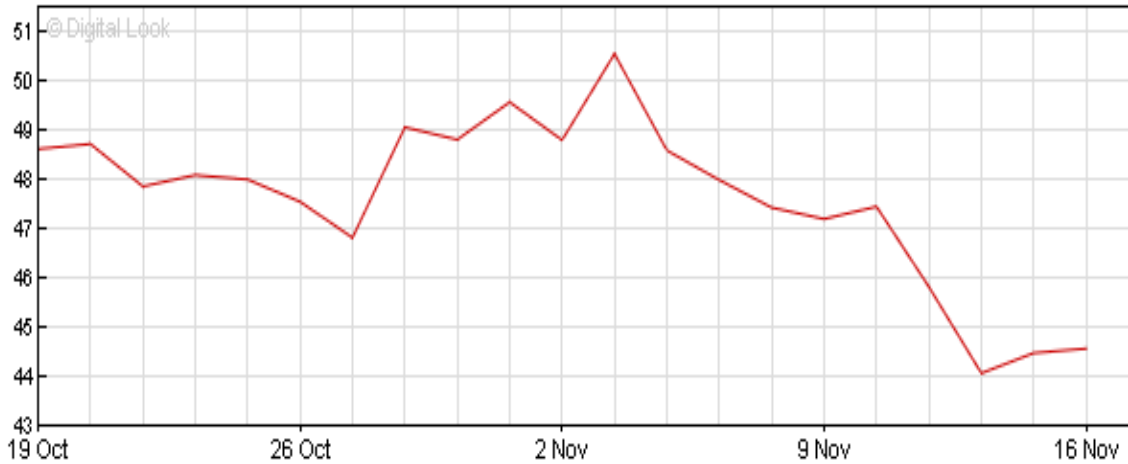
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- Cotton prices on the New York market were hovering around US\$0.681/ton ( $\approx$  US\$1.49/ton) while Cotlook prices were pegged at US\$ 0.6885/ton ( $\approx$  US\$1.51/ton)

## Crude oil

- Brent crude oil prices increased marginally on 16<sup>th</sup> November 2015 by 0.3% to settle at US\$44.68 from US\$47.5 recorded last week.



Source: BBC Business, 2015

## Beef

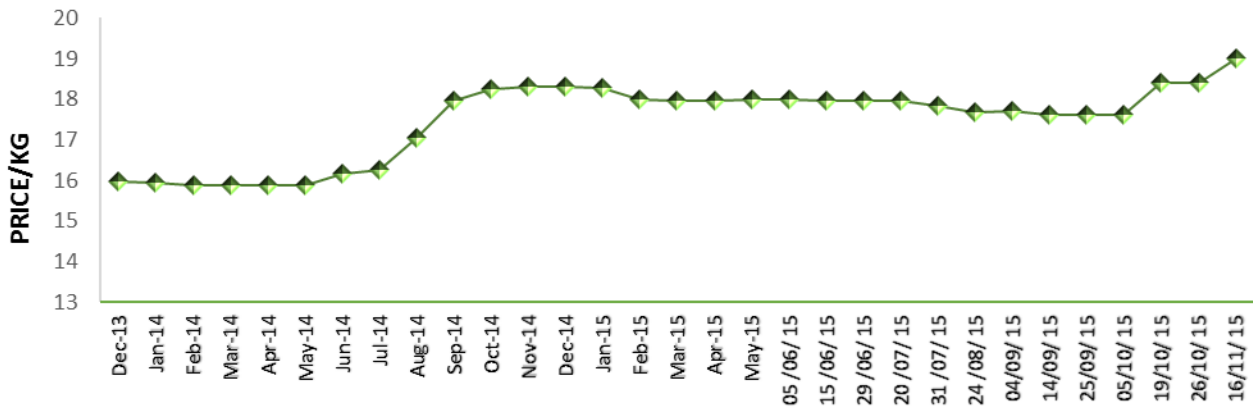
- USDA's November World Agricultural Supply and Demand Estimates projected U.S. meat production would increase by 2.9% in 2016 with pork up 1.7%, beef up 4.8%, broilers up 1.9% and turkey up 7.9%. The increase in meat supply is likely to result in lower international meat prices.
- According to the ZNFU market price information system, local dressed weight beef offer prices were averaging ZMW19/kg in Lusaka during the week ending 13<sup>th</sup> November 2015. The graph below shows local beef price trends.

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## STANDARD BEEF PRODUCER PRICES /KG



Source: ZNFU, 4455 Market Price Information System

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