



THE WEEKLY AGRO WATCH



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16th February, 2016 Vol.3. No.7

The Weekly Agro Watch Highlights

- BOZ maintains policy rate at 15.5%.
- Weather forecast shows a general reduction in rainfall activity in selected districts.
- Local beef prices remain bearish.
- Crude oil prices up by 1.6% as OPEC signals output cut.

Exchange Rates

CURRENCY	16/02/2016						09/02/2016					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
FNB	11.23	11.45	0.72	0.73	16.17	16.50	11.20	11.42	0.70	0.71	16.14	16.47
Standard Chartered	11.23	11.45	0.72	0.73	16.20.	16.53	11.19	11.41	0.70	0.71	16.15	16.48
ZANACO	11.25	11.45	0.72	0.73	16.22	16.51	11.20	11.41	0.70	0.71	16.16	16.45
Bank of Zambia	11.34	11.36	0.72	0.72	16.41	16.44	11.28	11.30	0.70	0.70	16.25	16.29

Parity Prices

US\$/ZAR=15.82 ; US\$ZMW=11.45

Domestic Import Parity Prices as at 16/02/2016

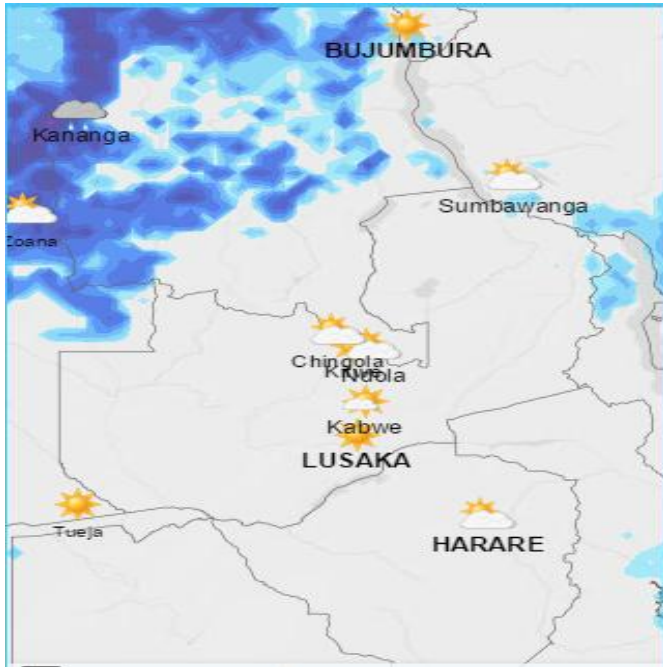
US\$/ZAR=16.02 US\$/ZMW=11.45

Parity Prices		U\$/ZMW	Maize	Soya	Wheat
Lusaka		11.45	471.26	595.97	460
Town	Ex-Lusaka freight (ZMW)	\$	\$	\$	\$
Chipata	275	24.02	495.28	619.99	484.02
Mkushi	225	19.65	490.91	615.62	479.65
Ndola	250	21.83	493.09	617.80	481.83
Kitwe	250	21.83	493.09	617.80	481.83

*Note: All futures prices are for March 2016 delivery.

Weather Forecast

The table below summarizes the weather forecast for some selected towns for the period 17th February to 25th February, 2016. All the selected districts are forecast to have general decrease in rain activity while upper average temperatures are expected to rise



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Light rain is expected from 17 to 23rd. Forecast for 24-25 is no rain activities with partly cloudy to clear sky. ➤ Average daily Temps: 18-27°C
Mkushi	<ul style="list-style-type: none"> ➤ Reduced rain activities is forecast throughout the period under review with chances of light rains showers only expected on 17 and 21-24 ➤ Average daily Temps: 18-29°C
Kabwe	<ul style="list-style-type: none"> ➤ Light to normal rains expected on 17, 19-20 and 23-24 while the rest of the days are forecast to have no rains. ➤ Average daily Temps: 18-29°C
Lusaka	<ul style="list-style-type: none"> ➤ Light rains expected on 17th, 20th and 23rd whereas the rest of the period under review is expected to have no rain activities. ➤ Average daily Temps: 18-28°C

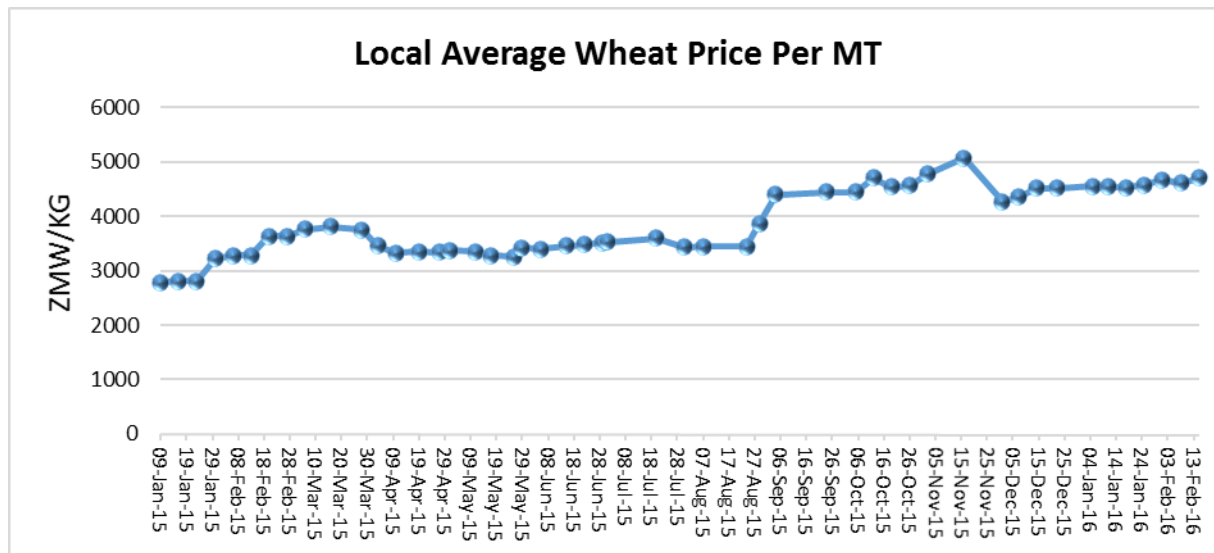
Mazabuka	<ul style="list-style-type: none"> ➤ Light to normal rains expected from 22nd to 24th while the rest of the period is forecast to be fairly cloudy as while as with clear sky sometimes. ➤ Average daily Temps: 20-30°C.
Choma	<ul style="list-style-type: none"> ➤ Light rain showers are expected from 22-24 while 17-21 and 25th is expected to have clear to partly cloudy sky with no chance of rains. ➤ Average daily Temps: 19 to 28°C
Livingstone	<ul style="list-style-type: none"> ➤ 17- 21st February is forecast to be partly cloudy to clear sky with no rains. 22-25th is expected to receive light to heavy rains ➤ Average daily Temps: 21-36°C
Mongu	<ul style="list-style-type: none"> ➤ The whole period under review (17-25th) expect on 19th is expected to receive light to heavy rains. ➤ Average daily Temps: 21-31°C.
Mansa	<ul style="list-style-type: none"> ➤ Light to heavy rains expected from 17th to 24th while 25th expected to be partly cloudy with no chance of rains. ➤ Average daily Temps: 19-28°C.
Kasama	<ul style="list-style-type: none"> ➤ The period (17-24th), rain activity is forecast from light to heavy while 25th is forecast to have a fairly cloudy to clear sky. ➤ Average daily Temps: 17-27°C.
Solwezi	<ul style="list-style-type: none"> ➤ The whole period under review, rain activity is forecast from light to heavy. Average daily Temps: 18-28°C.
Chipata	<ul style="list-style-type: none"> ➤ Light rain showers to light rain is forecast from 17 to 23rd February. No rain activities from 24-25th and are expected to be partly cloudy. ➤ Average daily Temps: 20-29°C.

Source: Norway meteorological Institute

Wheat

Highlights

- CME wheat futures prices for March 2016 delivery slightly declined to US\$168.06/MT from US\$175.5/MT reported last week.
- Local spot wheat prices marginally increased to ZMW4700/MT from ZMW4,510/MT recorded last week as shown in the graph below;



Source: ZNFU, 4455 Market Price Information System

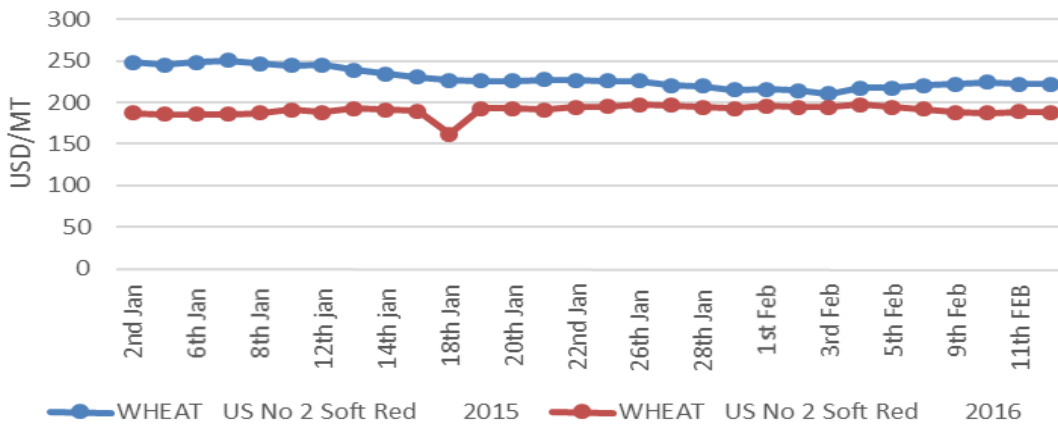
Price trends

The Safex international soft red and hard red wheat prices averaged US\$ 188.77/MT and US\$ 185.58/MT during the week ending 12th February respectively compared to US\$ 195/MT and US\$ 192.5/MT recorded during the previous week. The average prices for soft and hard red wheat were 3% and 3.5% lower respectively compared to the previous week. All prices are fob gulf. The graphs below show international price trends for soft and hard red wheat.

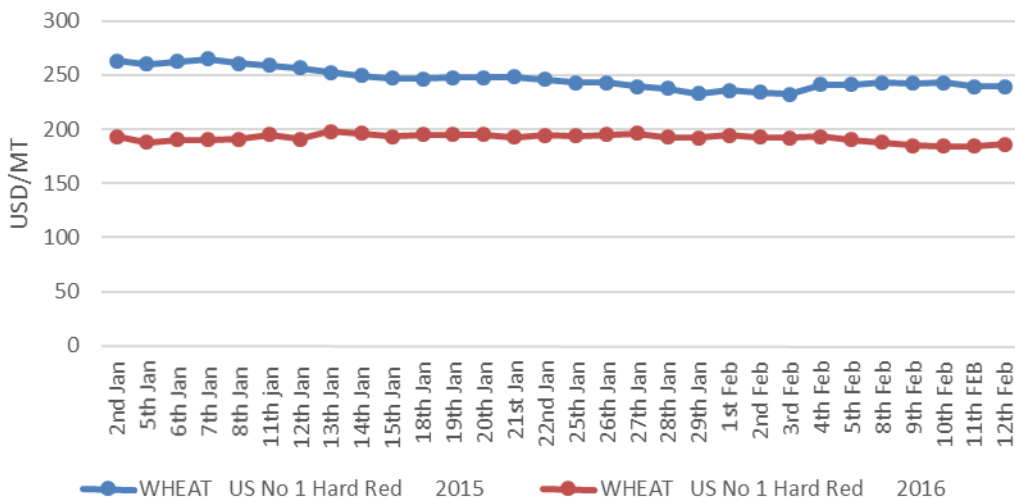
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International Wheat(US #2 Soft Red) Price Trend



International Wheat (US #1 Hard Red) Price Trend



source: Safex

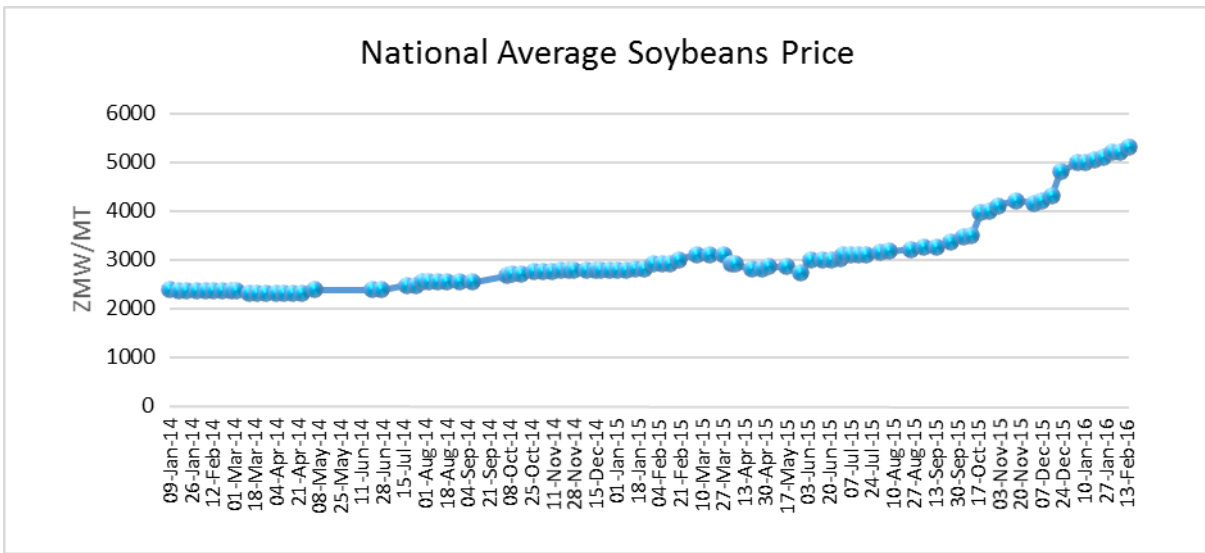
Soya Beans

Highlights

- CME Soya futures price for January 2016 delivery recorded a marginal decline to reach US\$320.62/MT from US\$323.12/MT reported last week.
- Local Soya beans spot prices have slightly moved move up to reach ZMW5300/MT as shown in the graph below;

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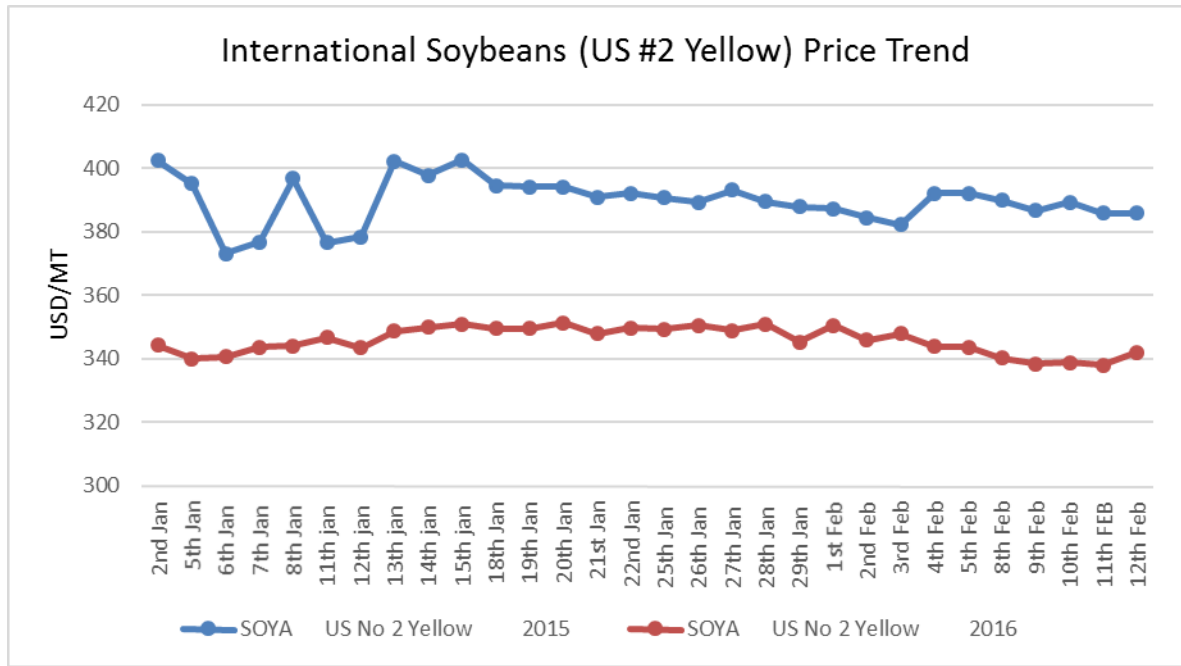




Source: ZNFU, 4455 Market Price Information System

Price trends

International spot prices for US No. 2 yellow soya beans on Safex settled at US\$ 339.47/MT in the week ending 12th February 2016, 1.97% lower than the average price of US\$346.3/MT recorded in the previous week. Prices are fob gulf.



Source: Safex

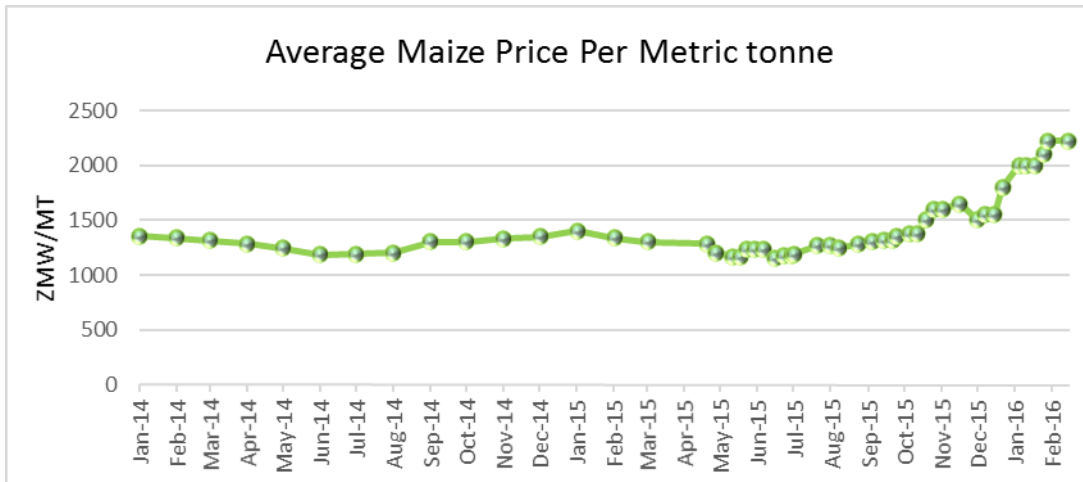
Maize

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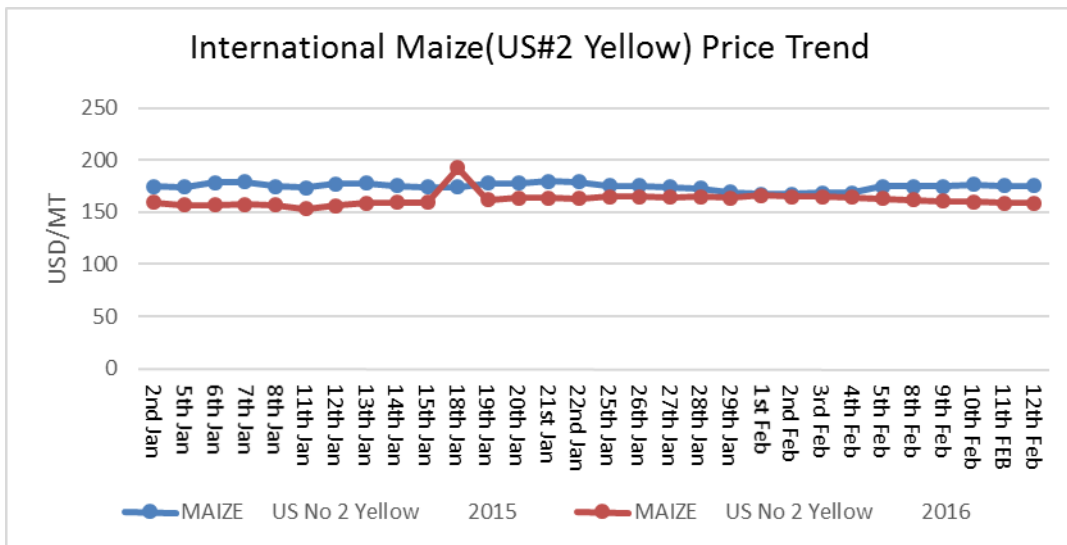
Highlights

- CME Corn futures price for March 2016 delivery posited a slight increase to hit US\$141/MT from US\$140.54/MT reported last week.
- Maize offer average price in Zambia were at ZMW 2250/MT as in the graph below;



Source: ZNFU, 4455 Market Price Information System

- International maize spot prices traded at an average of US\$ 159.92 during the week ending 12th February 2016 compared to US\$164.7/MT in the previous week posting a 3% reduction as shown in the graph below. Prices are fob gulf.



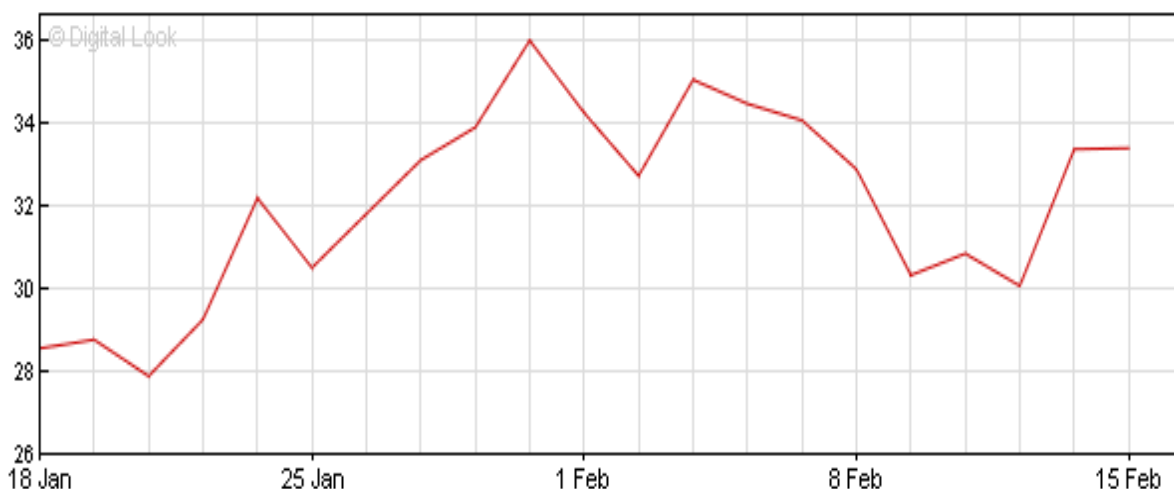
Source: safex

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Crude oil

- Brent Crude oil price has gone up by 1.6% to reach US\$33.93/barrel compared to US\$32/ barrel recorded last week as shown in the graph below. The increase was a response to the decision by OPEC countries during the week to cut oil production in order to raise the commodity price on the world market.



Source: BBC News, 2016.

Beef

Highlights

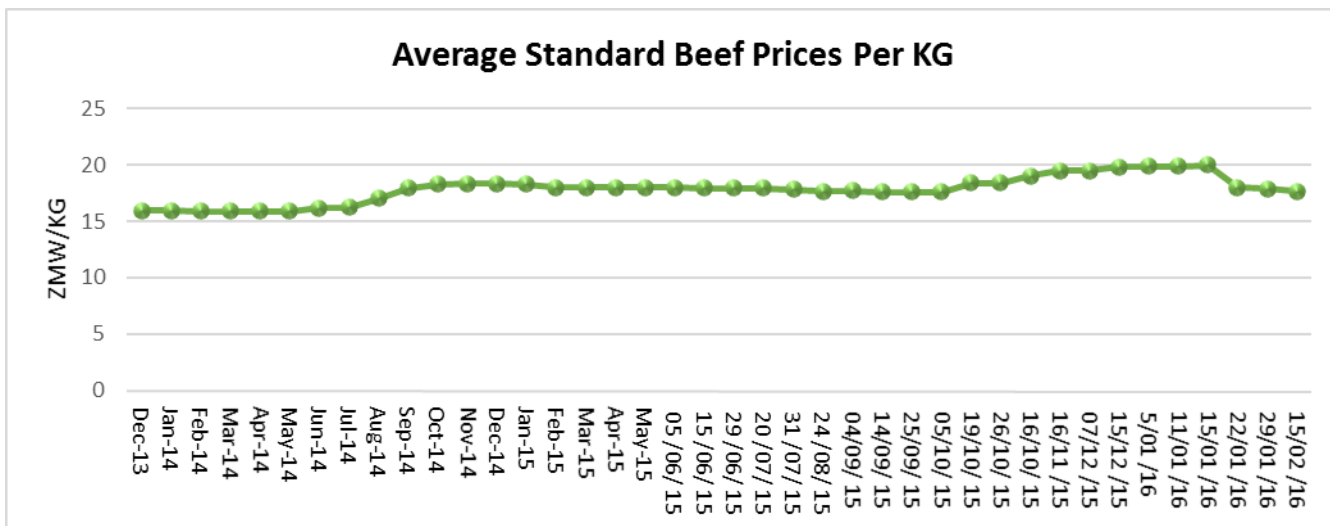
- Beef prices in Zambia edged upwards to hit ZMW20/kg from ZMW 19.8 per kg reported during the week ending 15th December 2015. This is as monitored by the ZNFU 4455 system.

Beef highlights

- Local beef standard producer prices have remained bearish at ZMW16/kg as shown in the graph below.

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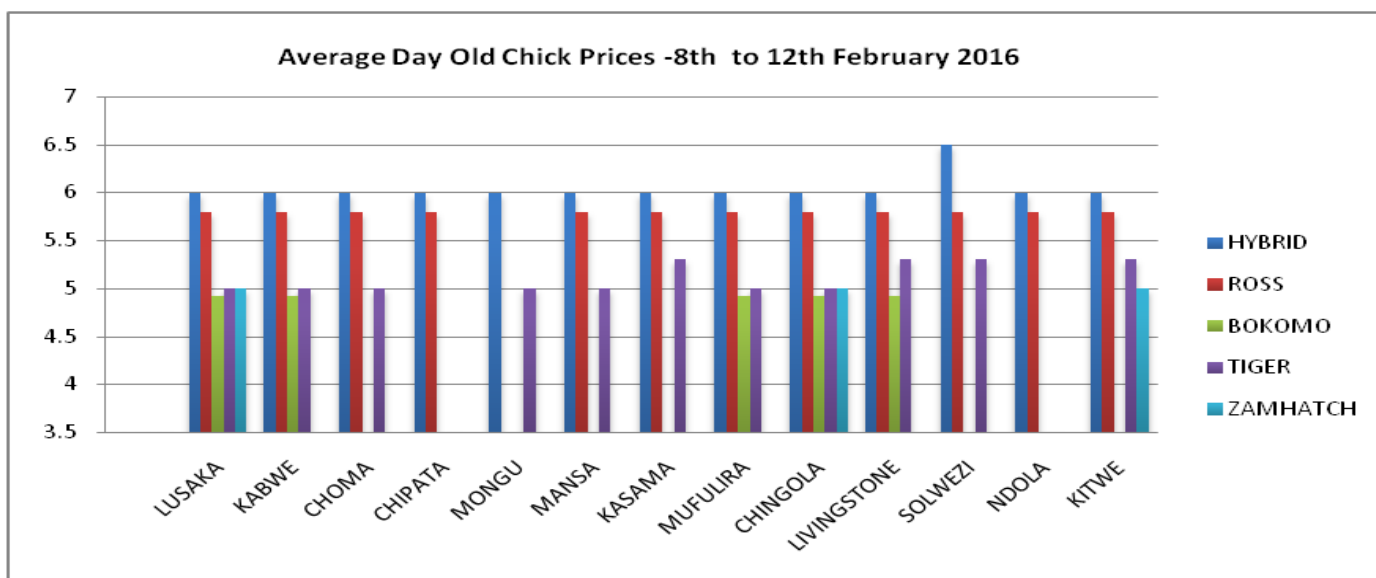


Source: ZNFU, 4455 Market Price Information System

POULTRY

AVERAGE DAY OLD CHICK PRICES

The graph below shows the price of different breeds of day old chicks in selected towns. There were upward price adjustments on some brands of day old chicks as promotions came to end.

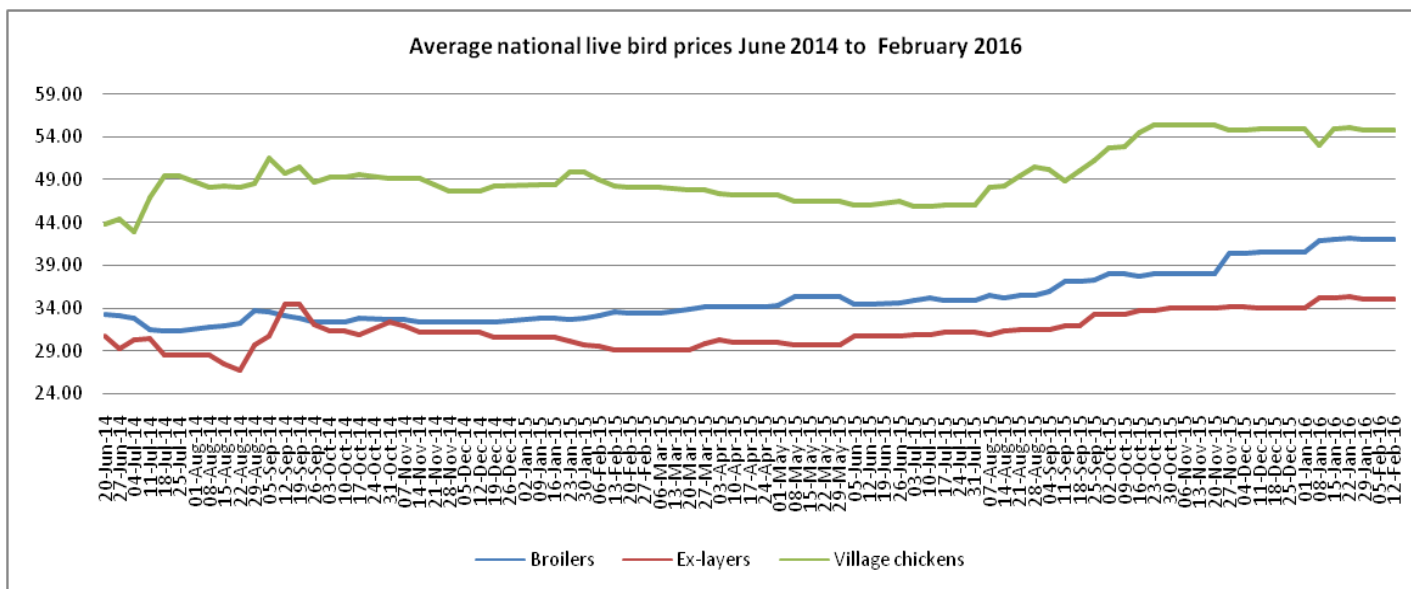


Source: Poultry Association of Zambia

The graph below shows the national average price trend for day old chicks from June 2014 to February 2016. The graph shows an upswing in the national average price of day old chicks to ZMW5.39.

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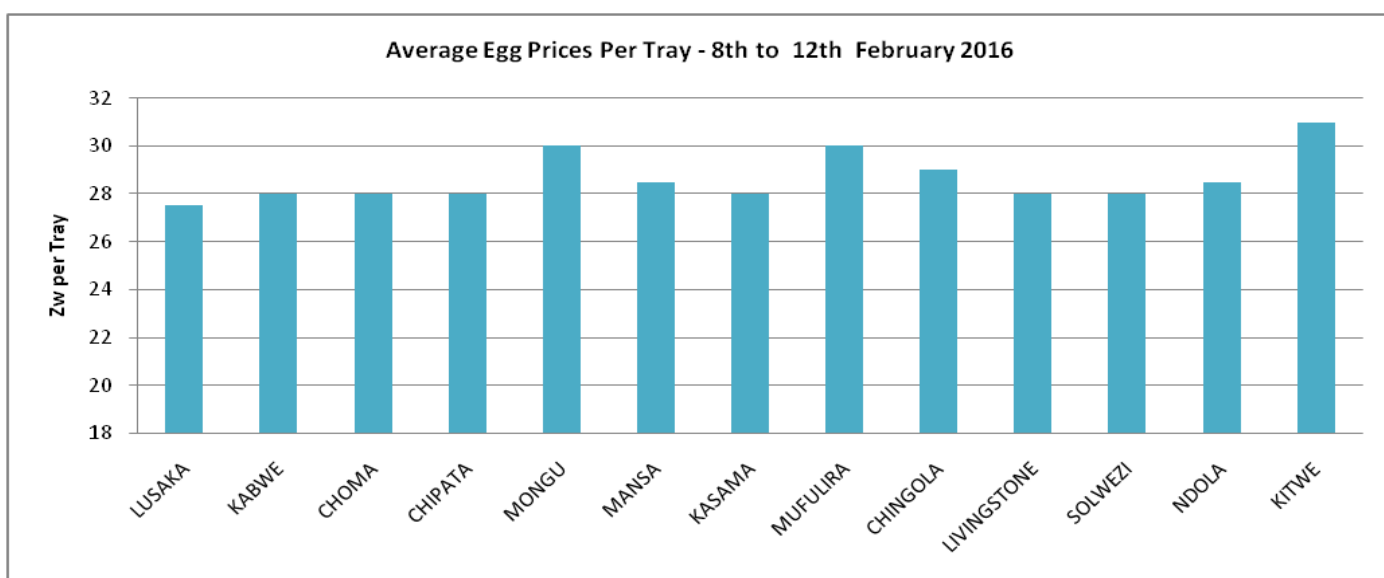




Source: Poultry Association of Zambia

AVERAGE EGG PRICES

The graph below shows average retail prices of table eggs in selected towns around the country. Apart from a 7.7% increase in the average price of eggs in Solwezi from ZMW26 to ZMW28, the rest of the prices in the towns displayed remained static during the course of the week.

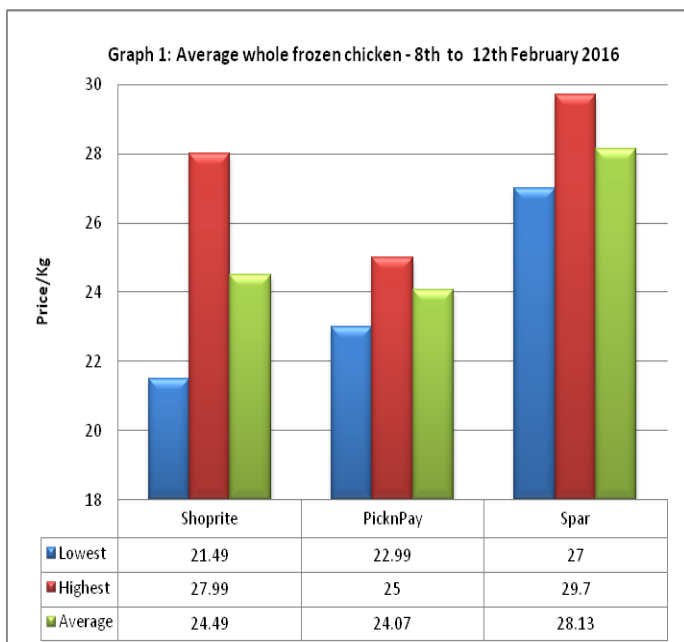


Source: Poultry Association of Zambia

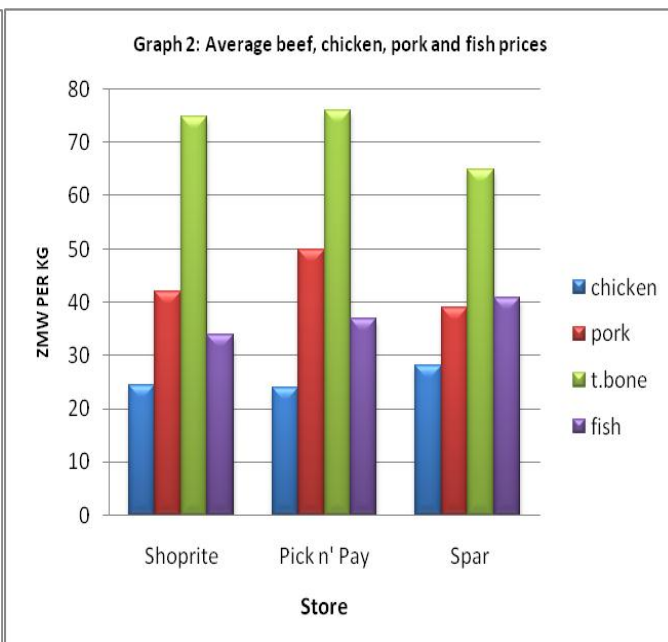
The graph below shows the price trend for a tray of eggs from mid-June 2014 to February 2016. The graph shows an increase in the national average price of eggs to ZMW28.65.

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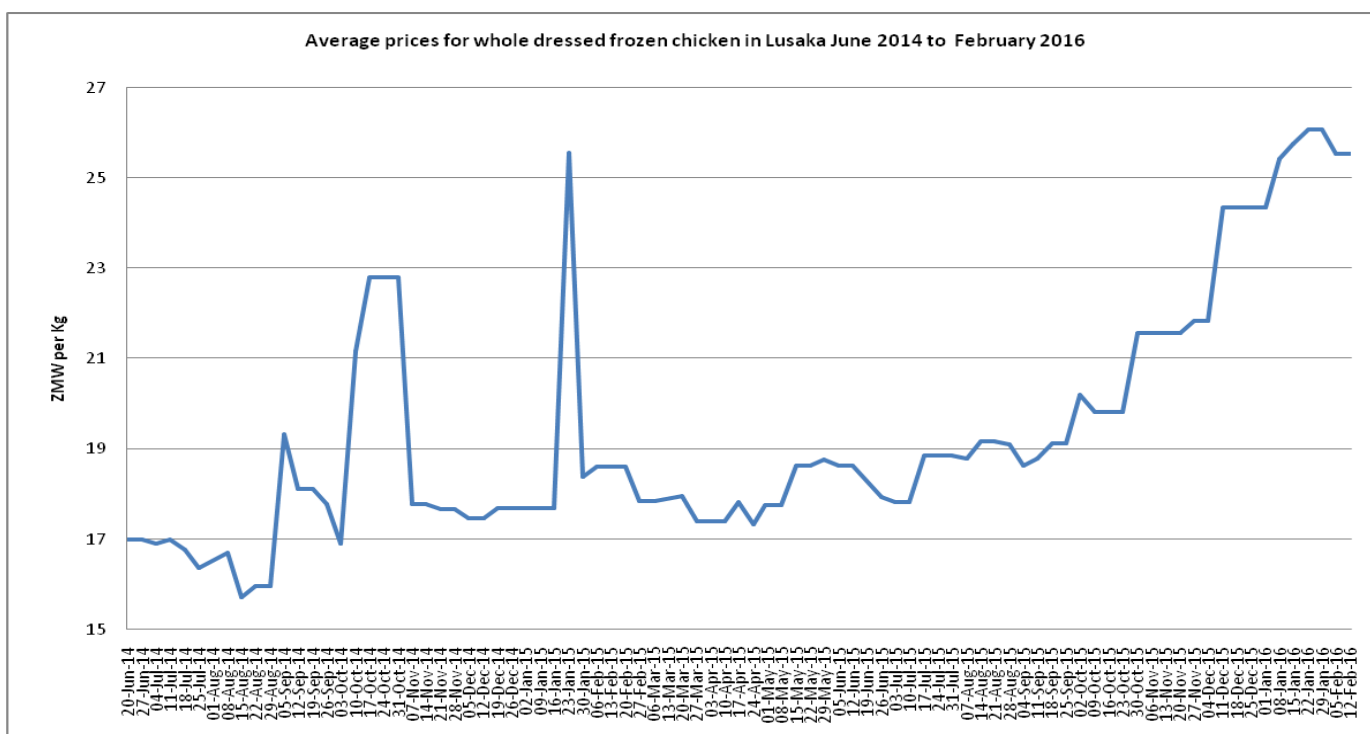


Source: Poultry Association of Zambia



Source: Poultry Association of Zambia

The graph below shows the average price trend for whole frozen chicken in Lusaka from June 2014 – February 2016. The graph shows that the average price of frozen whole chickens is ZMW25.54.



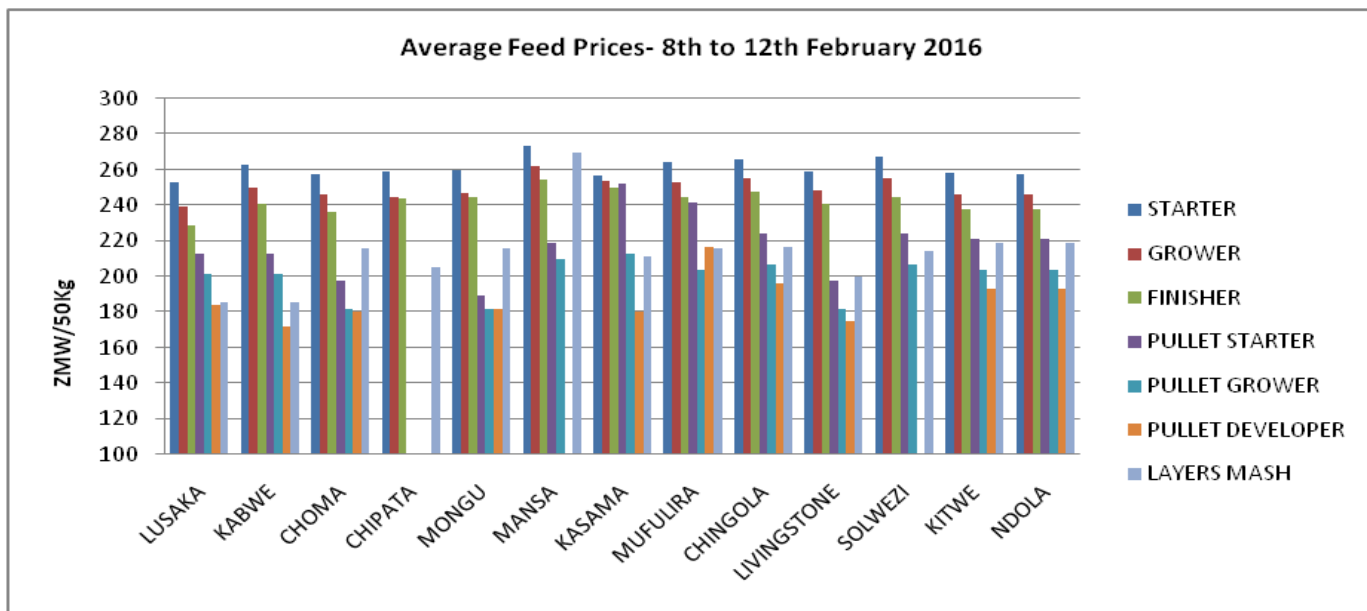
Source: Poultry Association of Zambia

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AVERAGE FEED PRICES

The graph below shows average feed prices in selected towns. There were both upward and downward price adjustments on some feeds in some towns during the course of the week.



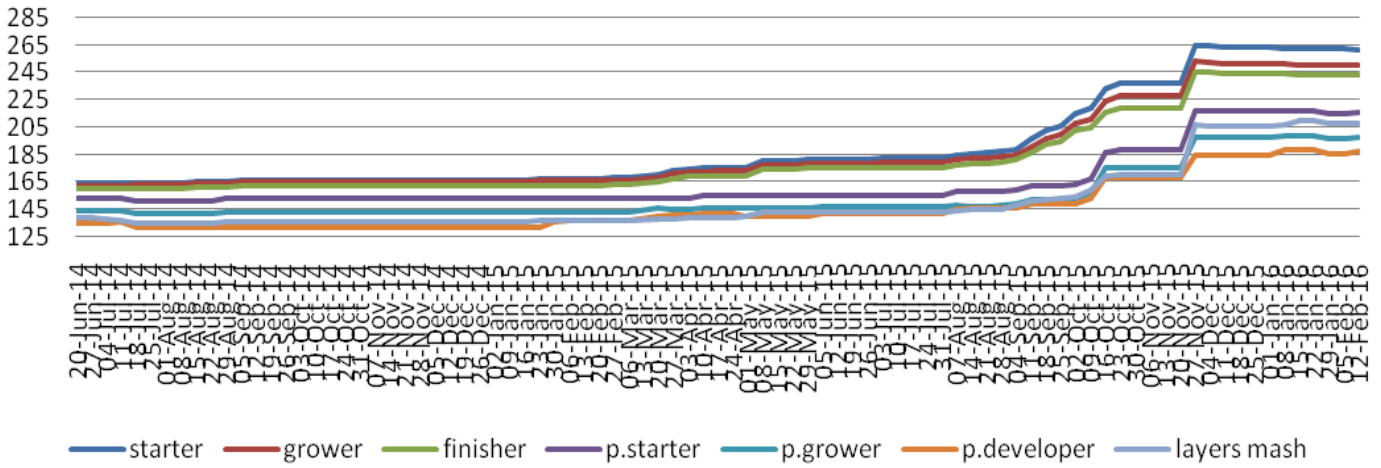
Source: Poultry Association of Zambia

The graph below shows the national average price trend of feed from June 2014 to February 2016. The graph shows a slight decline in the national average price of some feeds as well as a slight increase in some. This can be caused by different costs incurred in production of the feed .

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National average feed prices June 2014- February 2016



Source: Poultry Association of Zambia

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