



THE WEEKLY AGRO WATCH



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7th March, 2016 Vol.3. No.10



In this week's issue:

- ❖ *Lake Kariba filling lower than last year.*
- ❖ *Crude oil prices spike up*

EVENT BROCHURE



14 – 16 April 2016

GART Research Centre,
Chisamba, Zambia

FREE TO ATTEND

14 April: Commercial Farmers Focus day
15 – 16 April: Open to all agriculture professionals

Industry Updates

Lake Kariba filling lower than last year

Information from the Zambezi River Authority reveals that as at 2nd March, the river flow at Ngonye and Chavuma points was 42% and 72% higher than the flow recorded over the same period last year. Meanwhile the river flow at Nana and Victoria falls were 1% and 4% lower respectively. In terms of dam filling however, the Kariba dam had a water level of 477.25m, this is below the level recorded over the same period last year of 482.48m and just slightly above the minimum recommended water level for the lake to operate of 475.50m. Monitoring of the water flows along the Zambezi river aids the river authority in allocation of water resource for power generation.

US Poultry Hits South Africa

After more than 15 years, US chickens have been reported to have reached South Africa. This news comes after more than a year of communication on the matter between the US and South Africa. Whilst a settlement had been reached between the two parties in June last year in Paris, the perceived resistance by South Africa to allow US poultry imports led to the U.S President issuing a 60-day ultimatum in November 2016 for South Africa to open its doors to US poultry or face suspension of AGOA benefits. Shortly after the expiration of Obama's notice, South Africa announced it would comply with the terms of the Paris settlement. As a major trading country in Southern Africa, the impact on the US poultry imports on the South African economy are likely to be transmitted to other Southern African states, as the imports are in huge volumes.

Exchange Rates

CURRENCY	07/03/2016						29/02/2016					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Bid		Offer		Bid		Offer		Bid		Offer	
FNB	11.27	11.50	0.74	0.75	16.01	16.33	11.27	11.50	0.70	0.72	15.64	15.96
Standard Chartered Bank	11.26	11.50	0.73	0.75	15.92	16.24	11.25	11.47	0.70	0.72	15.57	15.88
ZANACO	11.28	11.48	0.73	0.75	16.03	16.31	11.28	11.48	0.70	0.71	15.65	15.93
Bank of Zambia	11.37	11.39	0.741	0.743	16.09	16.13	11.36	11.38	0.707	0.709	15.74	15.78

Parity Prices

Domestic Import Parity Prices as at 07/02/2016

US\$/ZAR=15.67 US\$/ZMW=11.50

Parity Prices		US\$/ZMW Maize		Soya	Wheat
Lusaka		11.5	472.88	569.6	458.01
Town	Ex-Lusaka freight (ZMW)	\$	\$	\$	\$
Chipata	275	23.91	496.79	593.51	481.92
Mkushi	225	19.57	492.45	589.17	477.58
Ndola	250	21.74	494.62	591.34	479.75
Kitwe	250	21.74	494.62	591.34	479.75

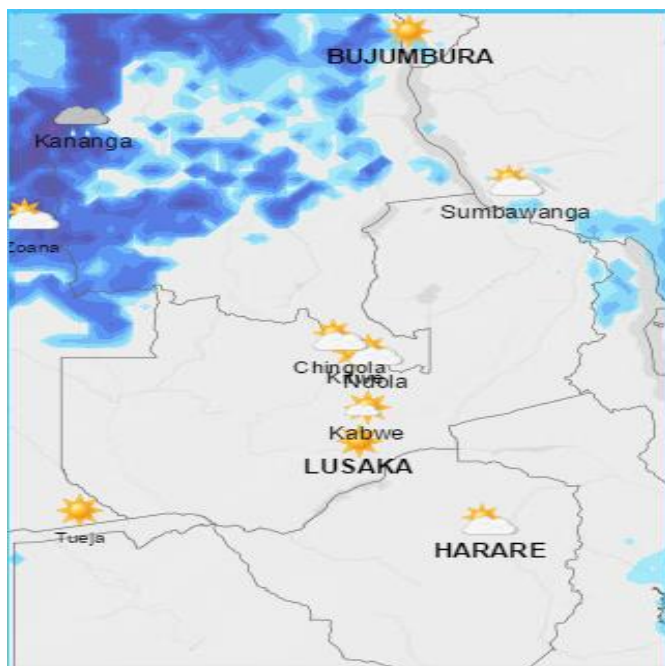
*Note: All futures prices are for March 2016 delivery.

Export Parity Price Ranges (EPP) Harare-Lusaka (26th February 2016)

Soya Beans	505-525
Wheat	310-427
Maize	232-281.25

Weather Forecast

The table below summarizes the weather forecast for some selected towns for the period 8th March to 15th March, 2016.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Light to heavy rains is forecast for the whole period under review (8th-15th March). ➤ Average daily Temps: 17-26°C
Mkushi	<ul style="list-style-type: none"> ➤ Light to normal rains for whole period under review except for 14th and 15th which are forecast to receive heavy rain. ➤ Average daily Temps: 18-28°C
Kabwe	<ul style="list-style-type: none"> ➤ Light to heavy rains is forecast for the period under review (8th-15th March). Heavy rain of up to 23.5mm is forecast for 15th. ➤ Average daily Temps: 19-27°C
Lusaka	<ul style="list-style-type: none"> ➤ Light to heavy rains is forecast for period under review except for 8th and 9th which are forecast to have no rain activities. ➤ Average daily Temps: 19-26°C
Mazabuka	<ul style="list-style-type: none"> ➤ Light to normal rains expected throughout the period under review except for 15th when heavy rain is forecast. ➤ Average daily Temps: 20-28°C.

Choma	<ul style="list-style-type: none"> ➤ Light to normal rains expected from 8th to 9th and 12th to 15th. 10th and 11th are forecast to have no rains. ➤ Average daily Temps: 18 to 26°C
Livingstone	<ul style="list-style-type: none"> ➤ Light to heavy rains is forecast for the whole period under review (8th to 15th) ➤ Average daily Temps: 20-30°C
Mongu	<ul style="list-style-type: none"> ➤ The whole period under review is expected to receive light to heavy rains. ➤ Average daily Temps: 20-28°C.
Mansa	<ul style="list-style-type: none"> ➤ Heavy rains are expected from 9th to 11th whereas normal rain is forecast for the rest of the period. ➤ Average daily Temps: 18-26°C.
Kasama	<ul style="list-style-type: none"> ➤ Normal to heavy rain forecast for the period under review expect for 12th which is forecast to have no rain activities. ➤ Average daily Temps: 18-27°C.
Solwezi	<ul style="list-style-type: none"> ➤ No rain activities forecast for 13th whereas light to heavy rains is forecast for the rest of the period under review. ➤ Average daily Temps: 18-27°C.
Chipata	<ul style="list-style-type: none"> ➤ Normal rain forecast for 10th, 11th, 12th, 14th and 15th. Heavy rain forecast for 13th while 8th and 9th are forecast to have no rain activities. ➤ Average daily Temps: 20-28°C.

Source: Norway meteorological Institute

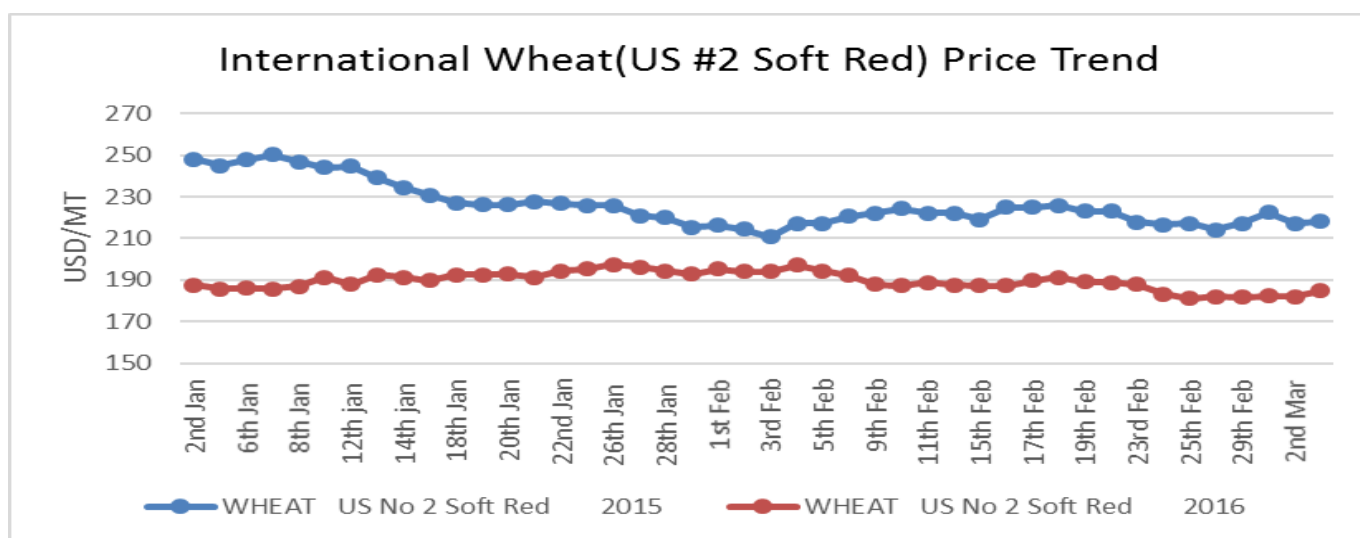
Wheat

Highlights

- Prices on the Chicago market entered the 2nd day of March on a high note due to the forecast of dry hot weather in the Southern parts of the country. Threats of flooding in the Mississippi region, where soft red is grown, gave further support to the price.
- CME wheat futures prices for May 2016 opened trading at US\$170.86/MT on 7th March 2016.
- Local Trader wheat offer prices on the local scene were still in the range of ZMW 420-433/MT last week.

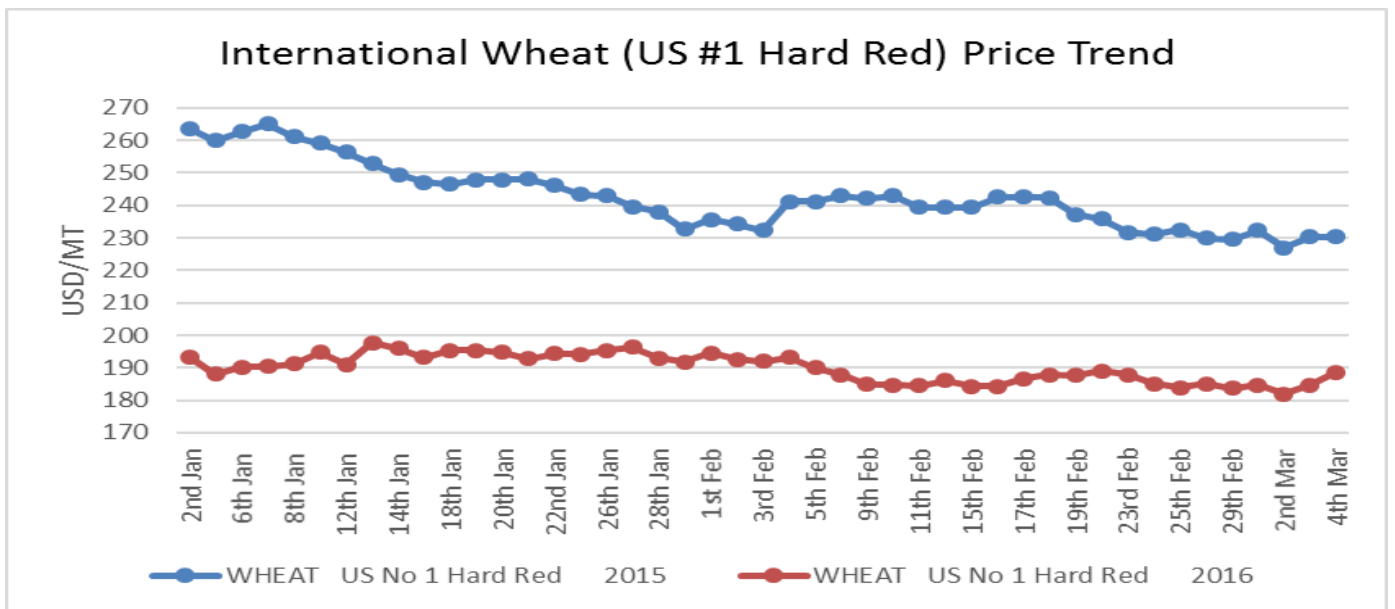
Price trends

The Safex international soft and hard red wheat prices averaged US \$ 184.71/MT and US\$ 183.81/MT during the week ending 4th March respectively. All prices are fob gulf. The graphs below show international price trends for soft and hard red wheat:



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Source: Safex

Soya Beans

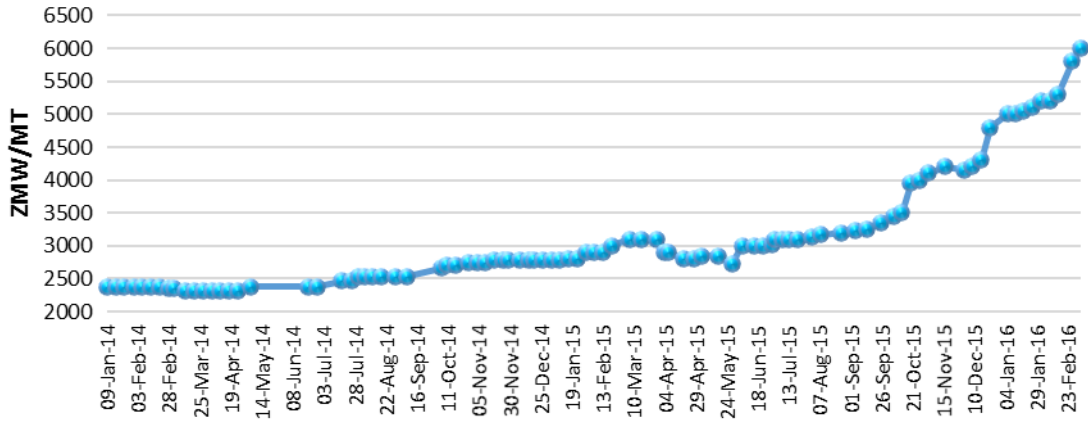
Highlights

- Oil world has forecast a rise in the global demand of soya meal and oil in 2016 due to insufficient supply of other oilseeds. World crushing's have been forecast to rise by about 6% between January and August 2016.
- CME Soya futures price for May 2016 delivery opened trading at US\$323.79/MT on 7th March 2016.
- Local Soya beans spot prices were hovering around ZMW5, 900-6,200/MT (~US\$533-550/ton) last week according to information captured on the ZNFU market price information system.

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National Average Soybeans Price

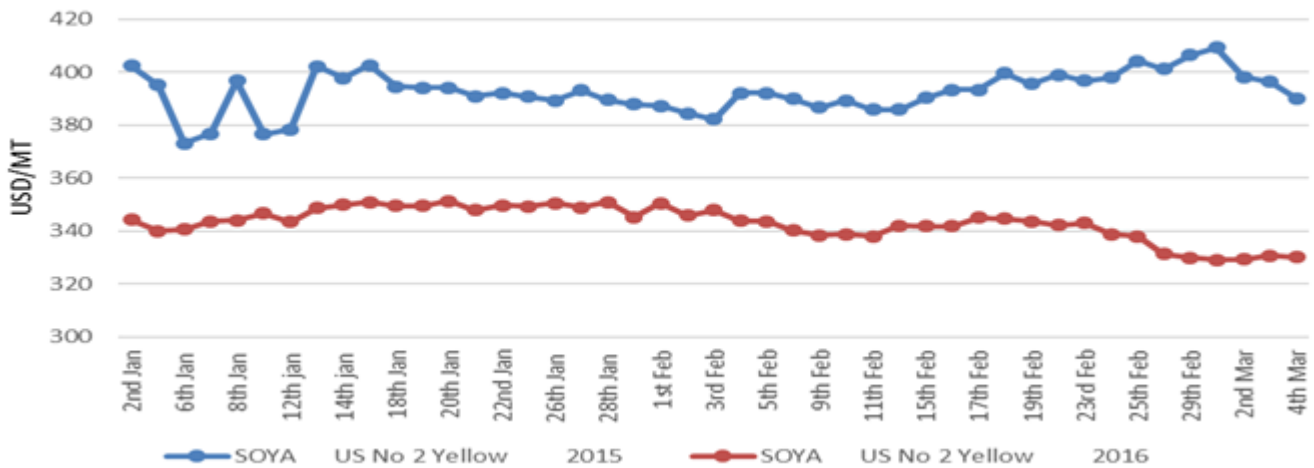


Source: ZNFU, 4455 Market Price Information System

Price trends

International spot prices for US No. 2 yellow soya beans on Safex settled at an average of US\$329.76/MT in the week ending 4th March 2016, 2.62% lower than the average price of US\$338.63/MT recorded in the previous week. Prices are fob gulf.

International Soybeans (US #2 Yellow) Price Trend



Source: Safex

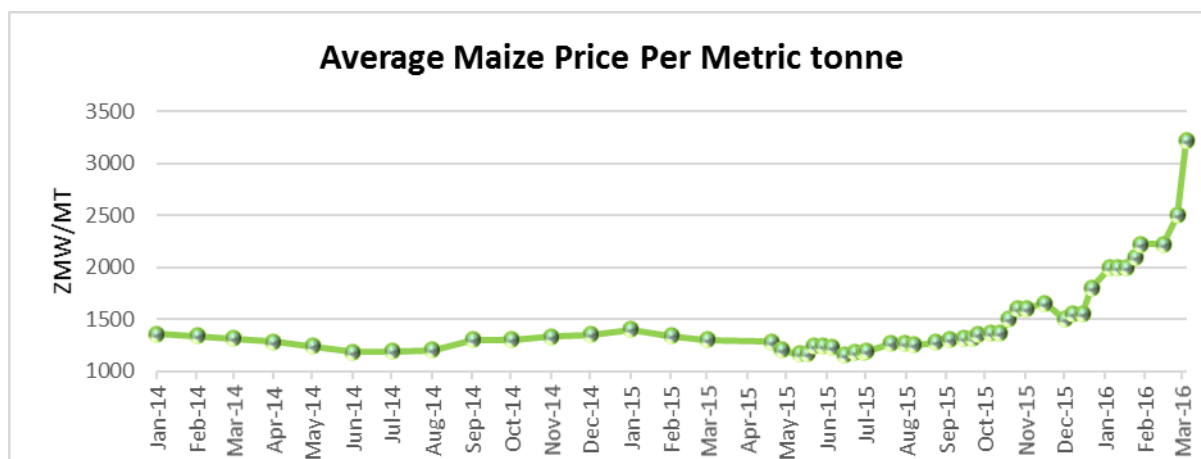
Maize

Highlights

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- The Zimbabwean cabinet has ordered its grain marketing board to reduce its price of maize to US\$15 per 50Kg bag from US\$23 per bag. This is to help families stricken by drought have access to more affordable maize. The country will however continue to source for imports to meet its forecast deficit for the current marketing season of about 1.3 million tons.
- The CME Corn futures price for March 2016 delivery opened trading at US\$142.12/MT on 7th March 2016.
- Maize offer price in Zambia during the week ending 26th February 2016 were in the range of ZMW 2,700-3,400/MT (≈US\$240-300/ton).



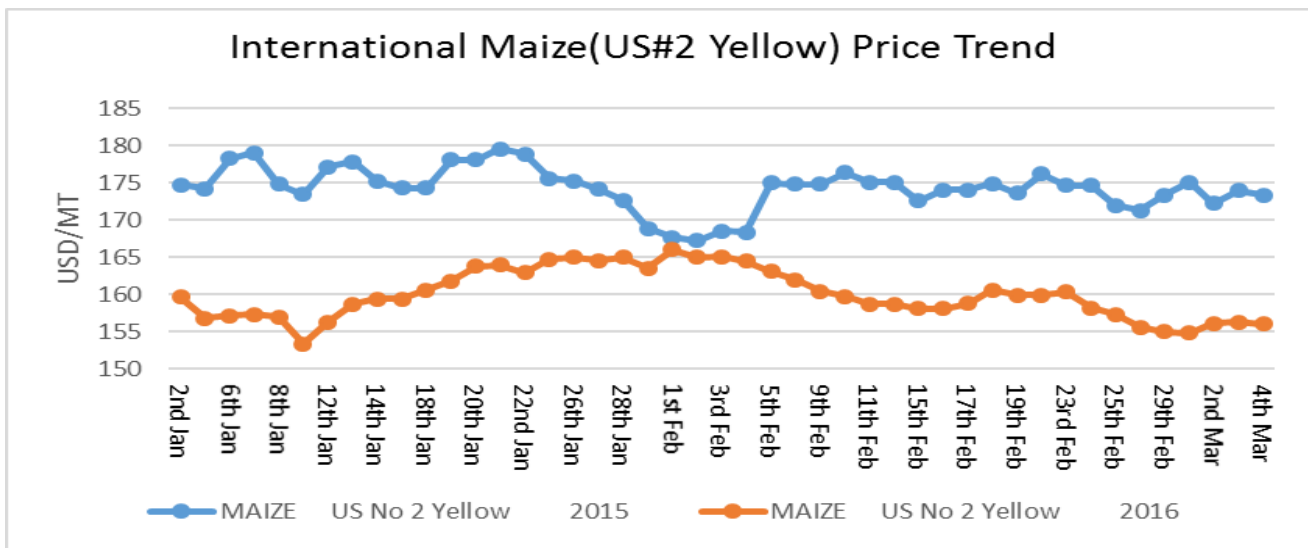
Source: ZNFU, 4455 Market Price Information System

Price trends

International maize spot prices traded at an average of US\$ 155.67/ MT during the week ending 7th March 2016, 0.52% lower than the previous week's average. All prices are fob gulf.

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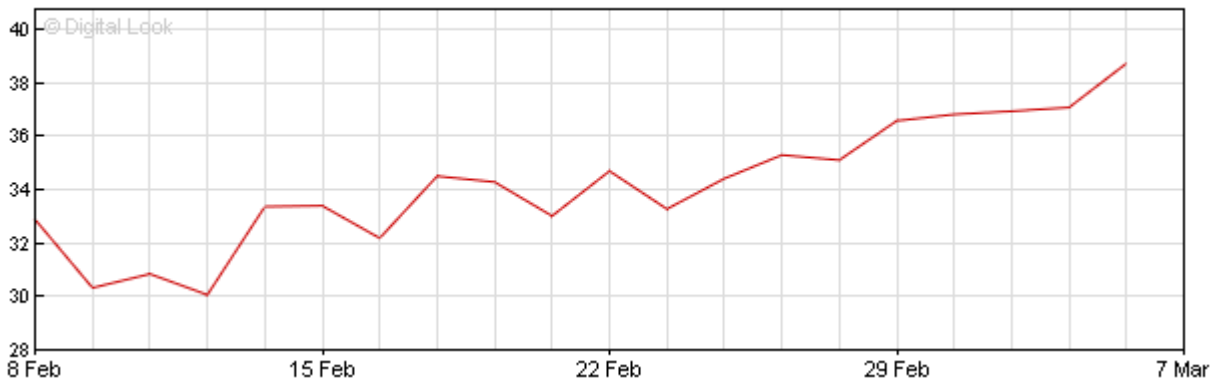


Source: Safex

Crude oil

- Confirmation of a meeting to be held between OPEC and Non-OPEC countries in Moscow on 20th March to discuss a possible crude oil production freeze led to a spike in international crude oil prices last week.
- By 11:00 CAT on 7th March 2016, the Brent futures price was US\$39.18/barrel while the spot price closed Friday's trading session at US\$38.36/barrel.
- The Dubai Mercantile exchange crude oil marker price for May 2016 delivery was settled at US\$35.35/barrel on 4th March, up from the settlement price of US\$31.90/ barrel on 26th February 2016.

Brent Crude Oil Futures \$/barrel



Source: BBC News, 2016.

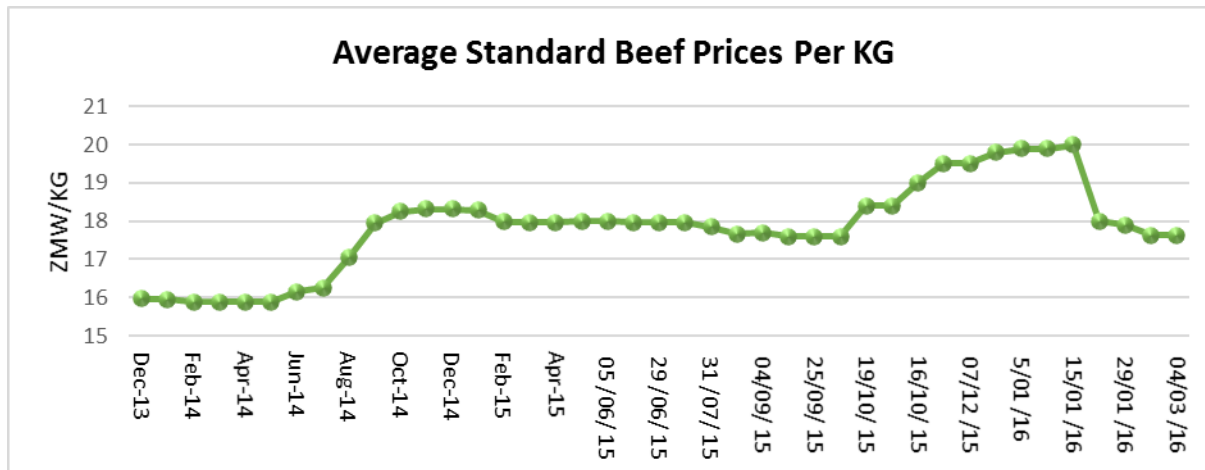
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Beef

Highlights

- France, has over the past few weeks been recording cases of Blue Tongue Virus in sheep and cattle. Blue tongue is an insect-borne viral disease mostly common in sheep but can be found in other ruminants as well.
- According to the Namibian Meat Board, beef prices in Namibia during the week ending 29th February 2016 for class A meat was in the range of ZAR 31.19-37.45/Kg. weaners and heifers were auctioning for ZAR20.02 and ZAR17.65 per Kg respectively.
- Dressed weight beef prices in Zambia were in the range of ZMW14-22/kg during the week ending 7th March 2016. This is as monitored by the ZNFU 4455 system.



Source: ZNFU, 4455 Market Price Information System

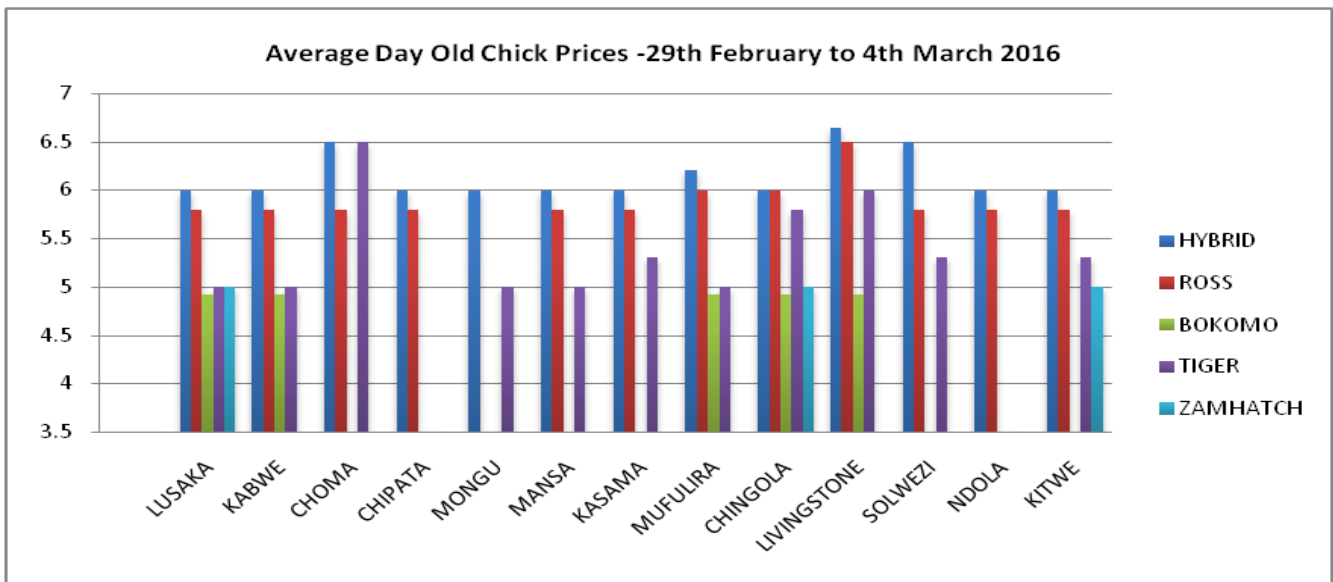
POULTRY UPDATES FOR THE WEEK ENDING 4TH MARCH 2016

AVERAGE DAY OLD CHICK PRICES

The graph below shows the price of different breeds of day old chicks in selected towns. The graph shows that the highest average price for day old chicks was ZMW6.65 in Livingstone while the lowest was ZMW5.

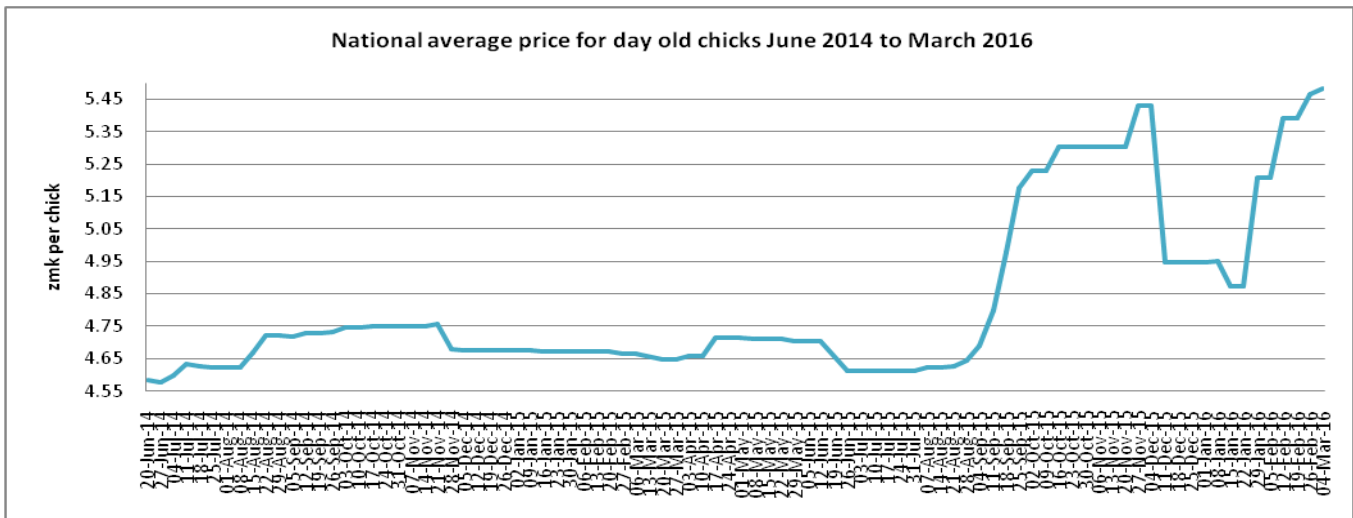
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Source: Poultry Association of Zambia

The graph below shows the national average price trend for day old chicks from June 2014 to March 2016. The graph also shows that there was an increase in the national average price for day old chicks to ZMW5.48 per chick last week.



Source: Poultry Association of Zambia

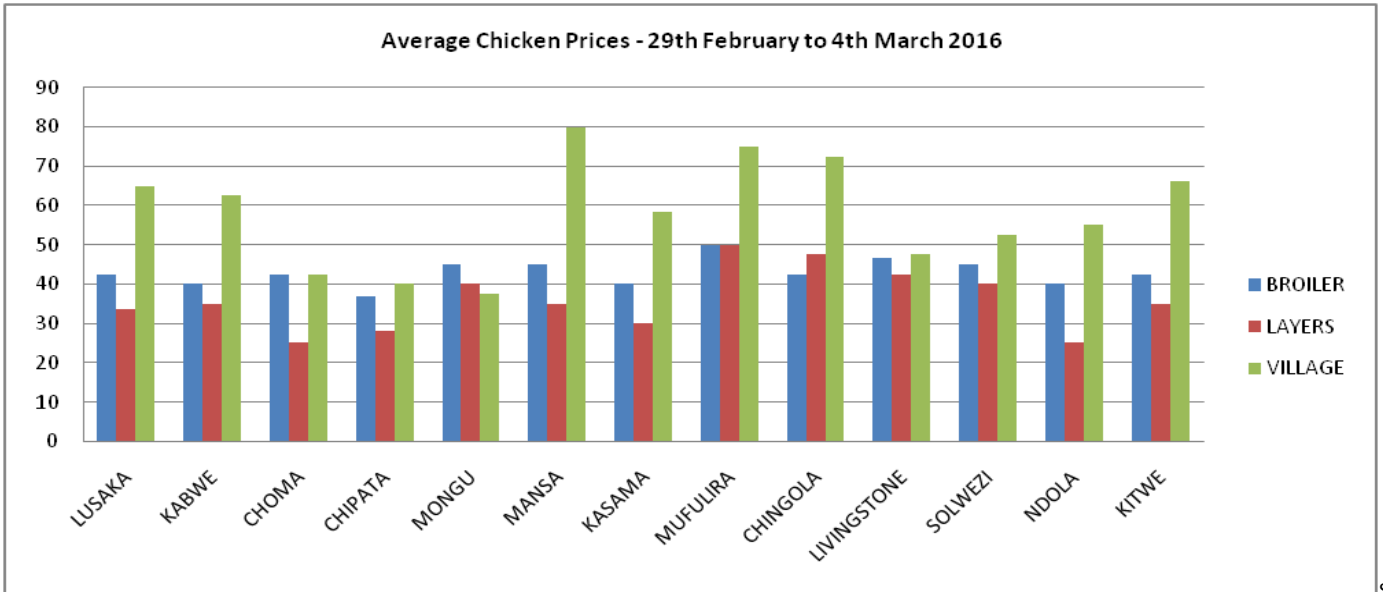
AVERAGE LIVE BIRDS PRICES

The graph below shows the average live bird prices in Lusaka, Choma, Kabwe, Chipata, Mongu, Mansa, Mufulira, Chingola, Solwezi, Ndola, Kitwe and Livingstone. The average price for broilers in Chingola declined from ZMW45 to ZMW42.5 representing a 5.6% reduction in price while the average price for ex-

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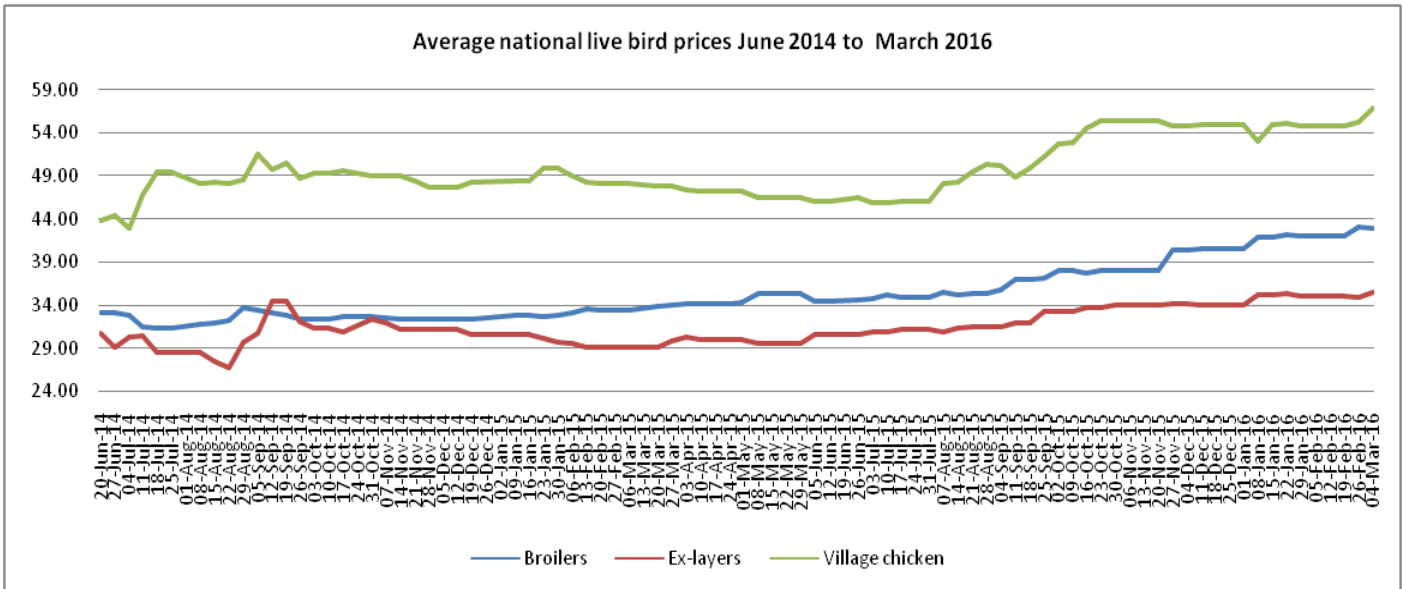


layers and village chicken went up from ZMW 40 to ZMW47.5 and from ZMW50 to ZMW72.5 representing 18.8% and 45% price increments respectively.



Source: Poultry Association of Zambia

The graph below shows the national average price trends for broilers, ex-layers and village chickens. The graph shows that the average price of ex-layers and village chickens rose last week while the average price for broiler live birds declined. The price of broilers, ex-layers and village chickens averaged ZMW42.96, ZMW35.46 and ZMW56.93 respectively.



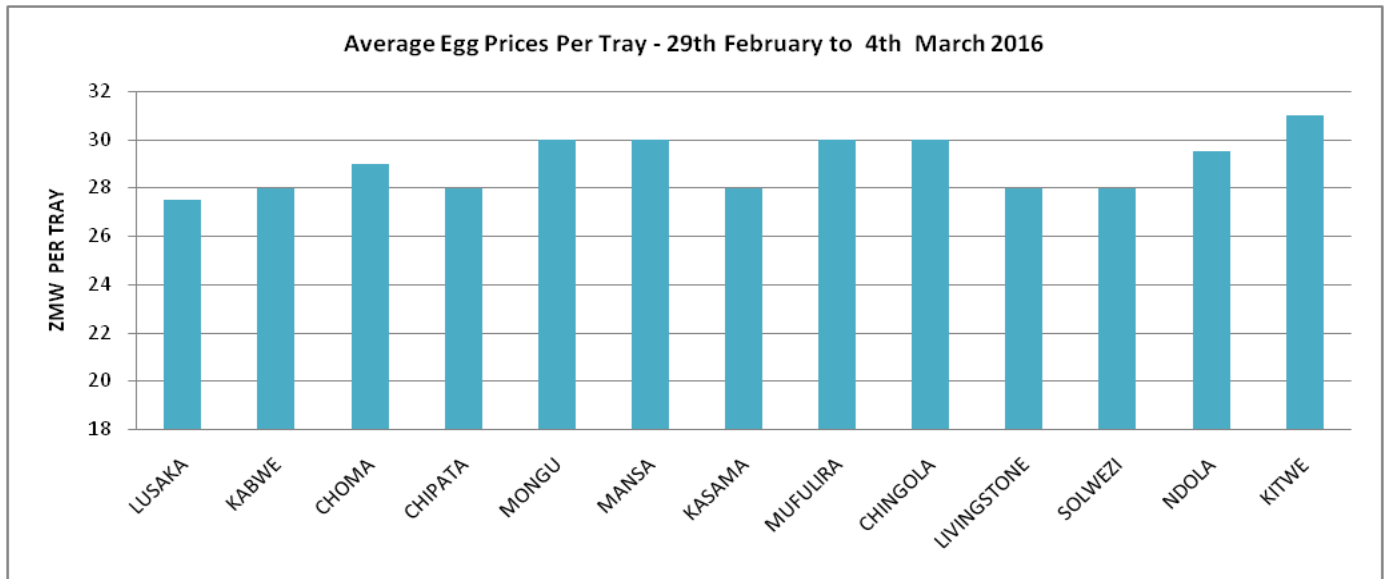
Source: Poultry Association of Zambia

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AVERAGE EGG PRICES

The graph below shows average retail prices of table eggs in selected towns around the country. Apart from a 3% increase in the price of eggs in Chingola from ZMW29 to ZMW30, prices of eggs in the towns displayed remained stable during the period under review.

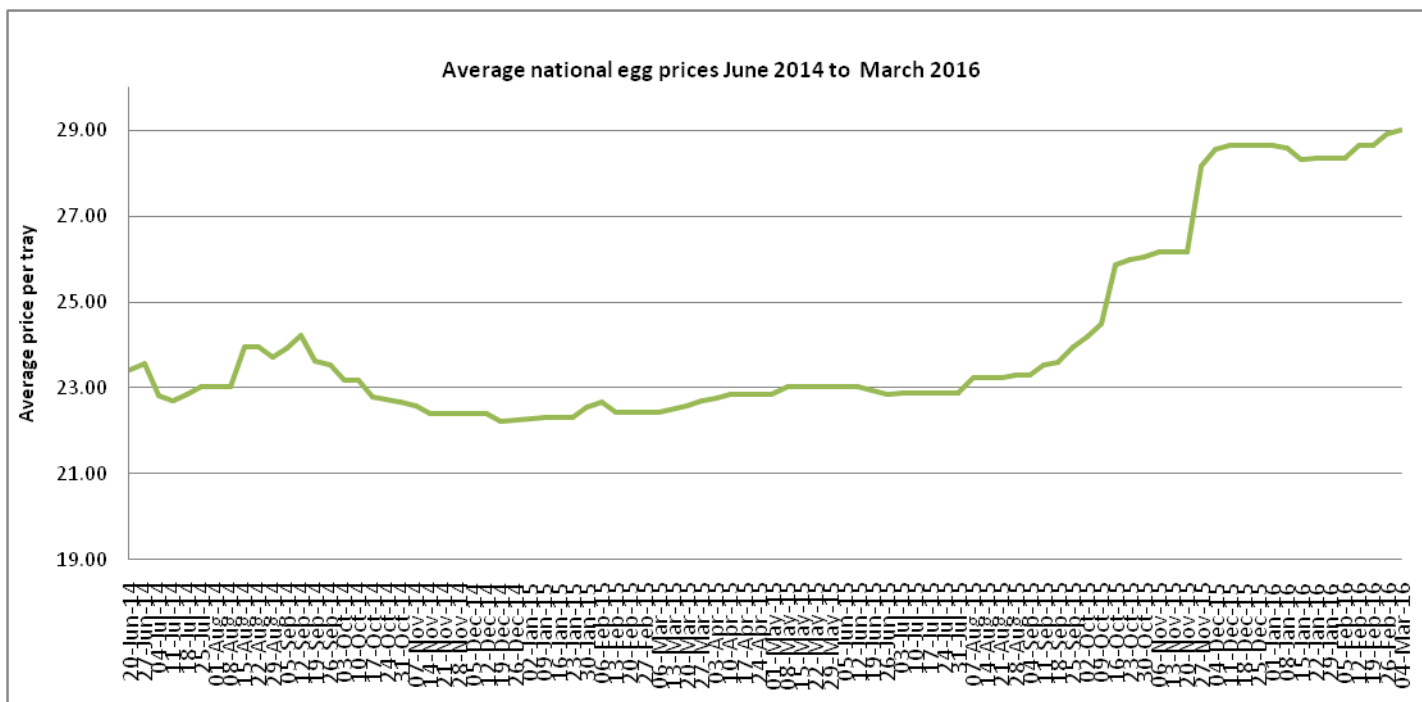


Source: Poultry Association of Zambia

The graph below shows the price trend for a tray of eggs from mid-June 2014 to March 2016. The graph shows an increase in the national average price of a tray of eggs edge slightly upwards to ZMW29 last week.

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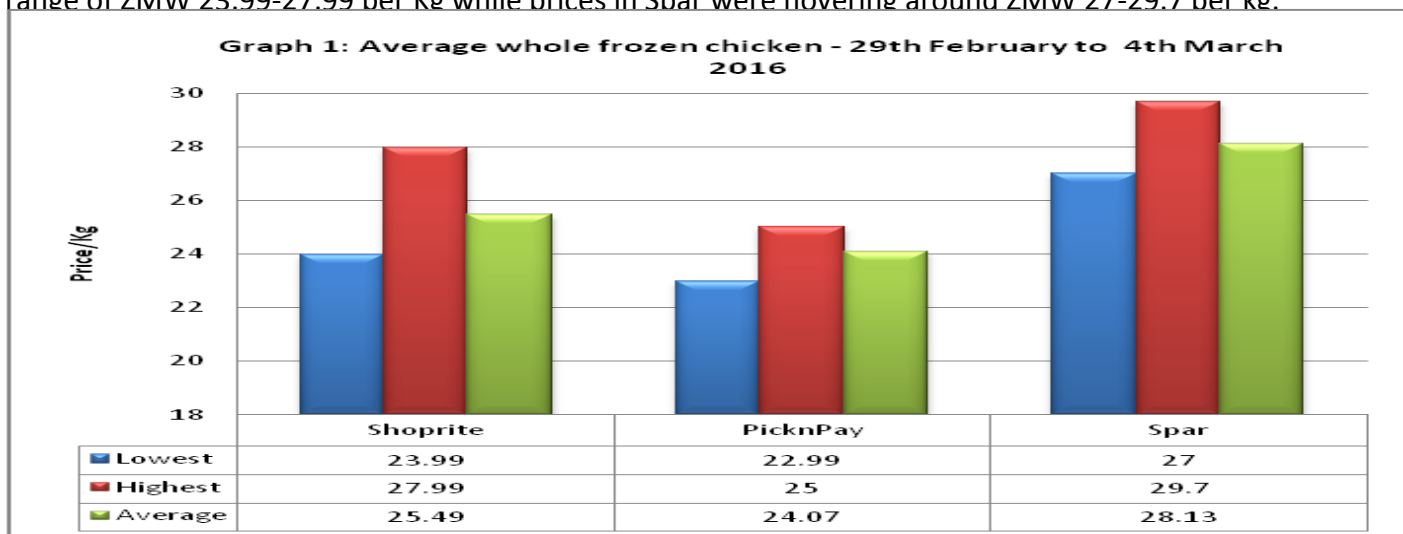




Source: Poultry Association of Zambia

AVERAGE WHOLE DRESSED CHICKEN PRICES

Graph 1 shows average prices of whole frozen chickens in three of Lusaka’s chain stores. Pick n’ Pay had the lowest average price of frozen whole chicken at ZMW24.07. Prices in Shoprite were trading in the range of ZMW 23.99-27.99 per Kg while prices in Spar were hovering around ZMW 27-29.7 per kg.

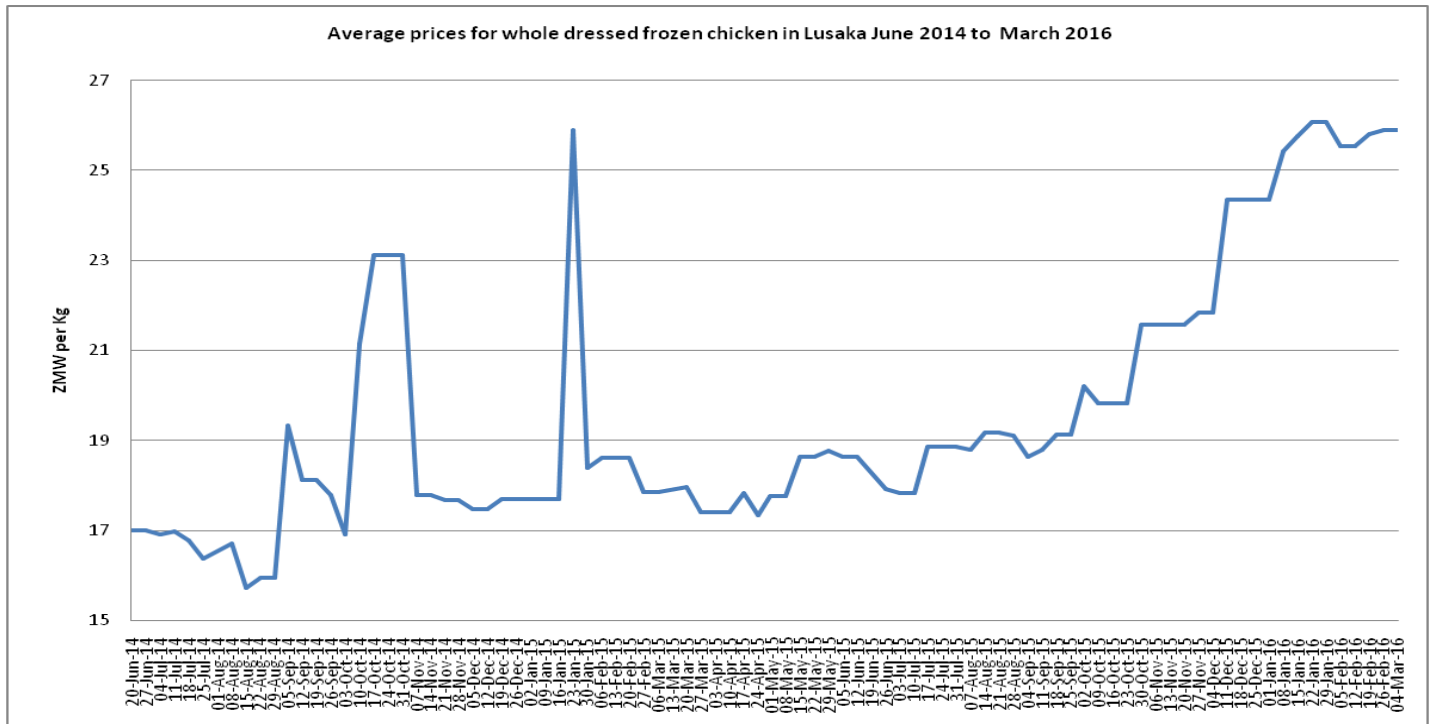


Source: Poultry Association of Zambia

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The graph below shows the average price trend for whole frozen chicken in Lusaka from June 2014 – March 2016. The average price of frozen whole chickens last week was similar to the price prevailing in the previous week of ZMW28.89 per Kg.



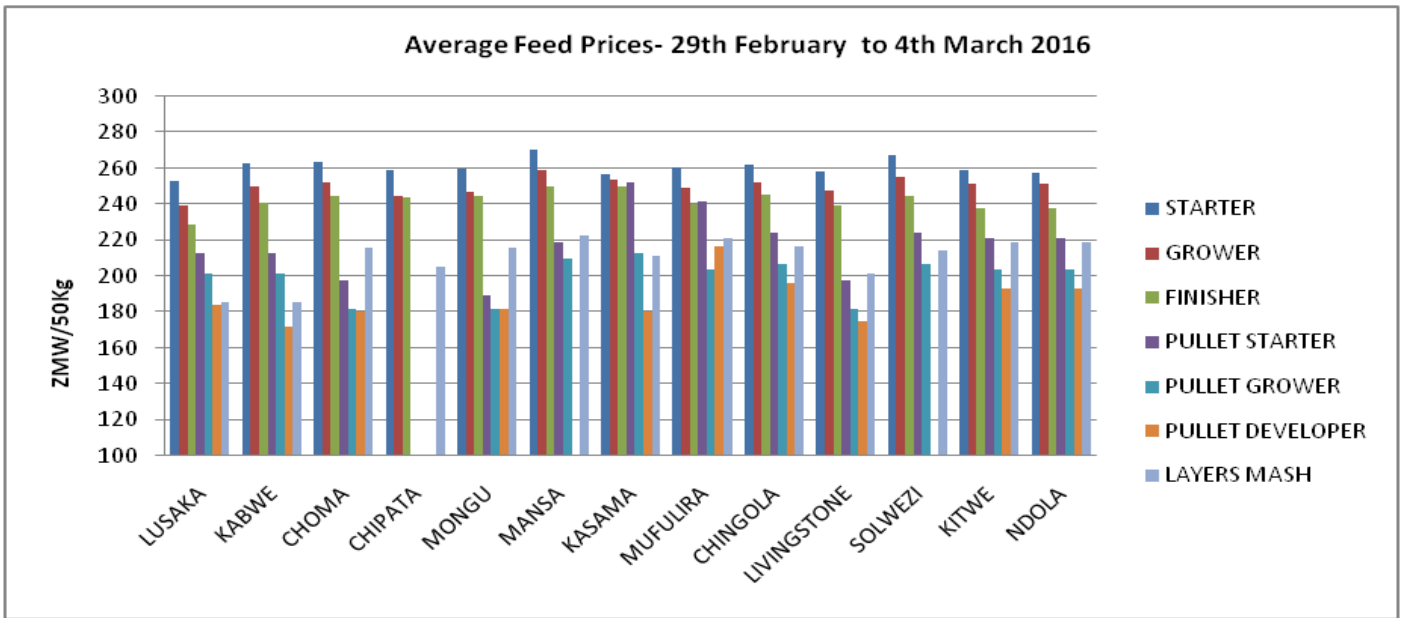
Source: Poultry Association of Zambia

AVERAGE FEED PRICES

The graph below shows average feed prices in selected towns.

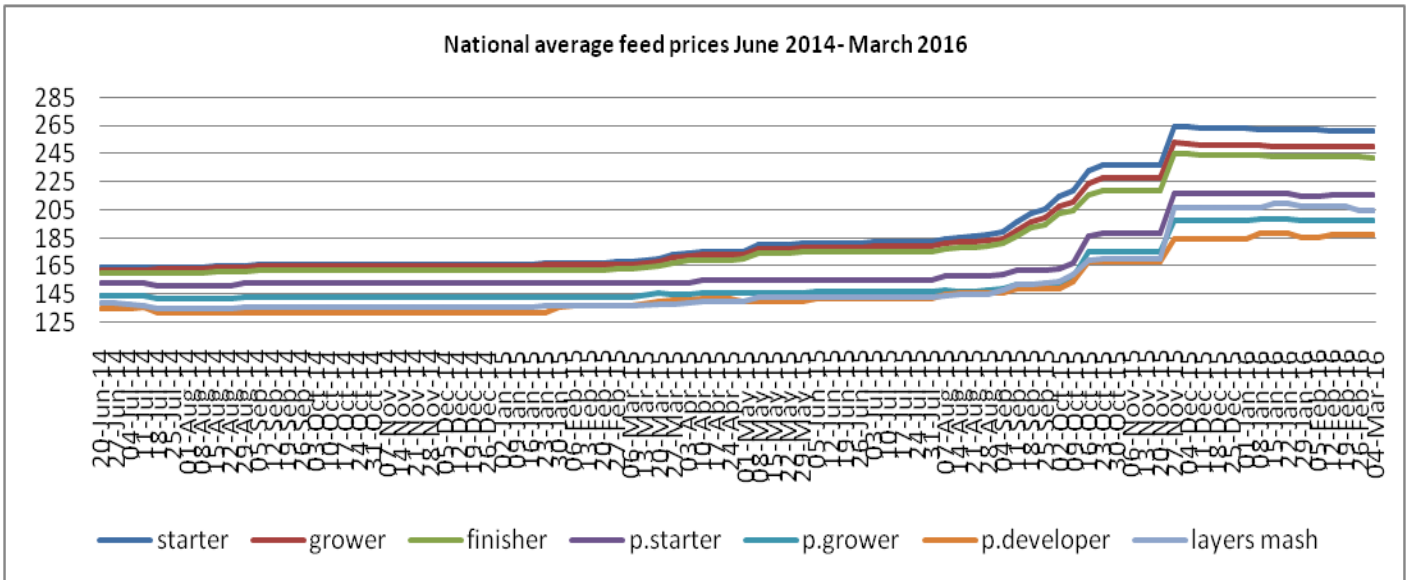
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Source: Poultry Association of Zambia

The graph below shows the national average price trend of feed from June 2014 to March 2016.



Source: Poultry Association of Zambia

Note: Visit the Poultry Association Of Zambia website at www.paoz.org for technical information on poultry.

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