



THE WEEKLY AGRO WATCH



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18th April, 2016 Vol.3. No.16

- GRZ to issue a Statutory Instrument to facilitate maize and maize by-products exports.
- The USDA revises upwards it's estimates for Sub-Sahara's wheat imports in the 2015/16 marketing year
- Malawi forecasts a further reduction in its maize output this year.
- Weather forecast shows no rainfall activity this week in selected districts

Exchange Rates

| CURRENCY | 18/04/2016 | | | | | | 12/04/2016 | | | | | |
|-------------------------|------------|-------|-------|-------|----------|--------|------------|------|-------|-------|----------|-------|
| | US Dollar | | RAND | | GB Pound | | US Dollar | | RAND | | GB Pound | |
| | Buy | Sell | Buy | Sell | Buy | Sell | Buy | Sell | Buy | Sell | Buy | Sell |
| FNB | 9.11 | 9.29 | 0.62 | 0.64 | 12.90 | 13.16 | 9.55 | 9.47 | 0.65 | 0.67 | 13.63 | 13.90 |
| Standard Chartered Bank | 9.12 | 9.30 | 0.63 | 0.64 | 12.94 | 13.20 | 9.61 | 9.80 | 0.66 | 0.67 | 13.68 | 13.95 |
| ZANACO | 9.12 | 9.28 | 0.62 | 0.63 | 12.91 | 13.14 | 9.67 | 9.85 | 0.66 | 0.67 | 13.77 | 14.02 |
| Bank of Zambia | 9.198 | 9.218 | 0.629 | 0.632 | 13.032 | 13.064 | 9.78 | 9.80 | 0.663 | 0.664 | 13.93 | 13.97 |

Parity Prices

Domestic Import Parity Prices as at 15/04/2016

US\$/ZAR=14.50

US\$/ZMW=9.25

| Parity Prices | | US\$/ZMW | Maize | Soya | Wheat |
|---------------|--------------------------------|-----------|-----------|-----------|-----------|
| Lusaka | | 9.25 | 479 | 586.03 | 482.18 |
| Town | Ex-Lusaka freight (ZMW) | \$ | \$ | \$ | \$ |
| Chipata | 275 | 29.73 | 508.73 | 615.76 | 511.91 |
| Mkushi | 225 | 24.32 | 503.32 | 610.35 | 506.50 |
| Ndola | 250 | 27.03 | 506.03 | 613.06 | 509.21 |
| Kitwe | 250 | 27.03 | 506.03 | 613.06 | 509.21 |

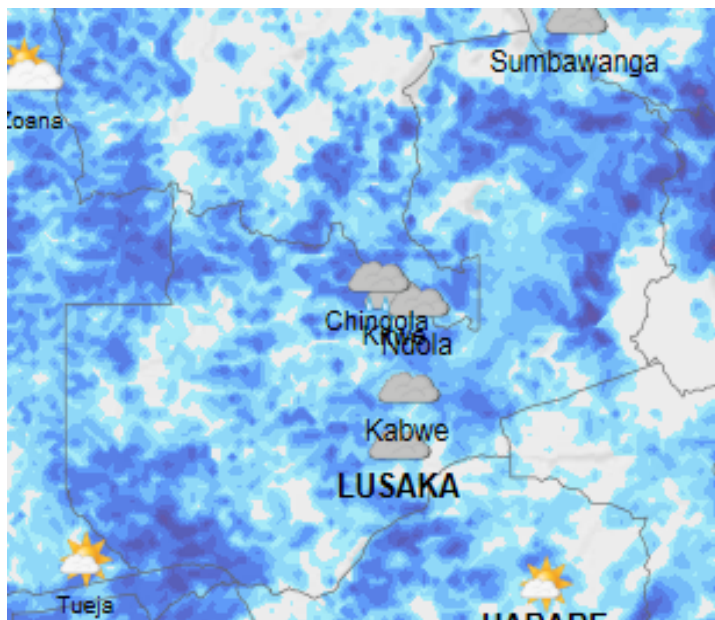
*Note: import parity prices based on May delivery

Export Parity Price Ranges (EPP) Harare-Lusaka as at 24/03/16

| | |
|------------|------------|
| Soya Beans | 466.5-525 |
| Wheat | 300-427.5 |
| Maize | 252-281.25 |

Weather Forecast

The table below summarizes the weather forecast for some selected towns for the period 19th to 25th April, 2016. No rainfall activity has been noted in the districts highlighted below.



| TOWN | WEATHER SUMMARY |
|--------|--|
| Ndola | <ul style="list-style-type: none"> ➤ The week will mostly have fairly clear to partly cloudy skies with no rainfall. ➤ Average daily Temps: 14 -28°C |
| Mkushi | <ul style="list-style-type: none"> ➤ The week will mostly have fairly clear to partly cloudy skies with no rainfall. ➤ Average daily Temps:14-27°C |
| Kabwe | <ul style="list-style-type: none"> ➤ The week will mostly have fairly clear to partly cloudy skies with no rainfall. ➤ Average daily Temps: 14-27°C |
| Lusaka | <ul style="list-style-type: none"> ➤ The week will mostly have fairly clear to partly cloudy skies with no rainfall. ➤ Average daily Temps: 15-27°C |

| | |
|-------------|---|
| Mazabuka | <ul style="list-style-type: none"> ➤ The week will mostly have fairly clear to partly cloudy skies with no rainfall. ➤ Average daily Temps: 15-30°C. |
| Choma | <ul style="list-style-type: none"> ➤ The week will mostly have fairly clear to partly cloudy skies with no rainfall. ➤ Average daily Temps: 14 -27°C |
| Livingstone | <ul style="list-style-type: none"> ➤ The week will mostly have fairly clear to partly cloudy skies with no rainfall. ➤ Average daily Temps: 16-31°C |
| Mongu | <ul style="list-style-type: none"> ➤ The week will mostly have fairly clear to partly cloudy skies with no rainfall. ➤ Average daily Temps: 20-32°C. |
| Mansa | <ul style="list-style-type: none"> ➤ The week will mostly have fairly clear to partly cloudy skies with no rainfall. ➤ Average daily Temps: 16-28°C. |
| Kasama | <ul style="list-style-type: none"> ➤ The week will mostly have fairly clear to partly cloudy skies with no rainfall. ➤ Average daily Temps: 16-26 °C. |
| Solwezi | <ul style="list-style-type: none"> ➤ The week will mostly have fairly clear skies with likelihood of cloud cover with no rains. ➤ Average daily Temps: 15-28°C. |
| Chipata | <ul style="list-style-type: none"> ➤ The week will mostly have fairly clear to partly cloudy skies with no rainfall. ➤ Average daily Temps: 16-28°C. |

Source: Norway meteorological Institute

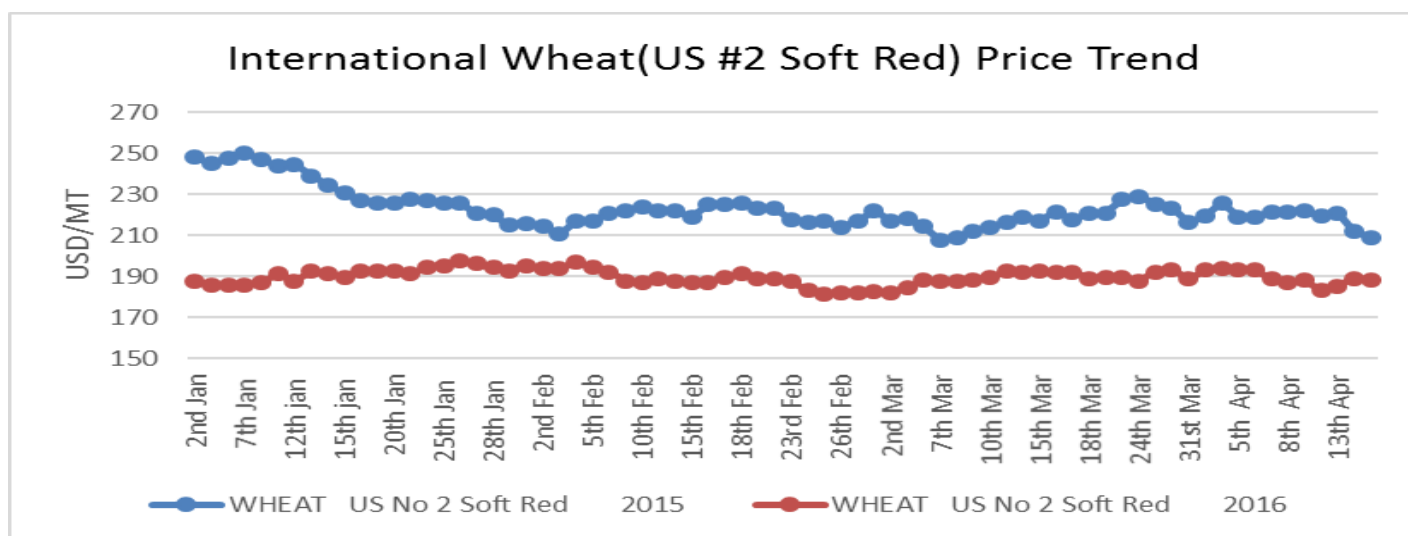
Wheat

Highlights

- The USDA has revised upwards its estimates for Sub-Sahara's wheat imports in the 2015/16 marketing year to 25.5 million tons from its March estimate of 25.1 million tons. the agency's forecasted exports, during the year ending June, has been raised in its April grain report for Russia, Kazakhstan and Argentina
- CME wheat futures prices for July 2016 opened trading at US\$172.18/MT on 18th April 2016.

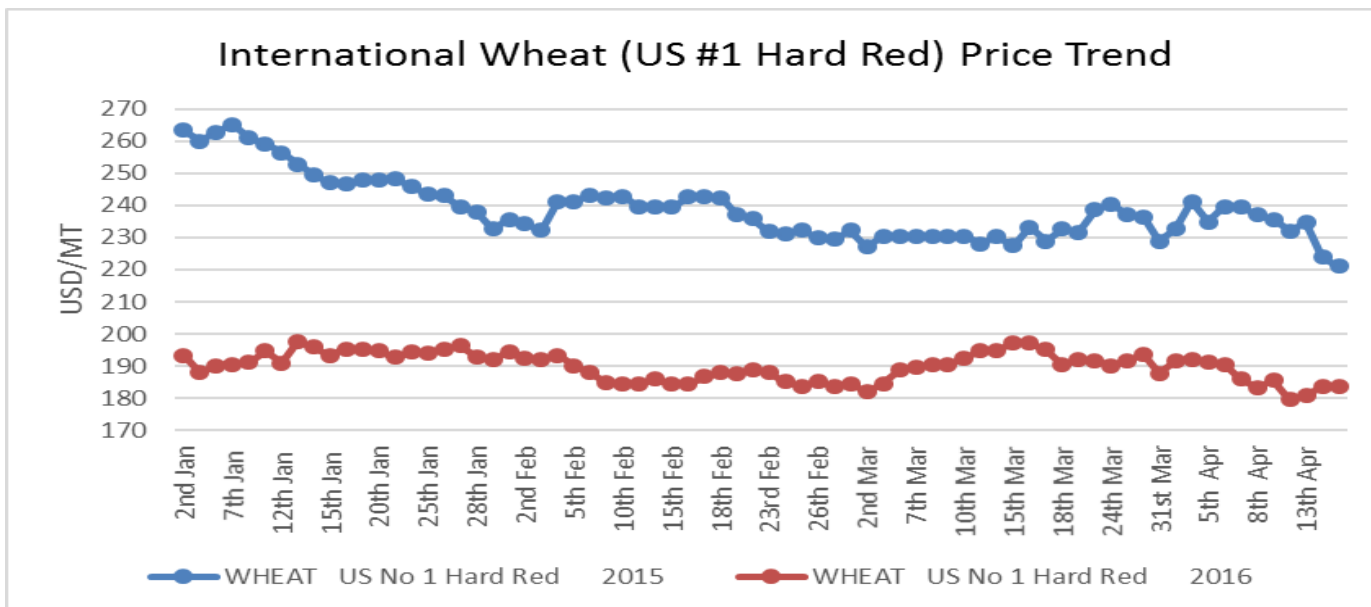
Price trends

The Safex international soft red and hard red wheat prices averaged US\$ 182.65/MT and US\$ 186.97/MT during the week ending 15th April 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

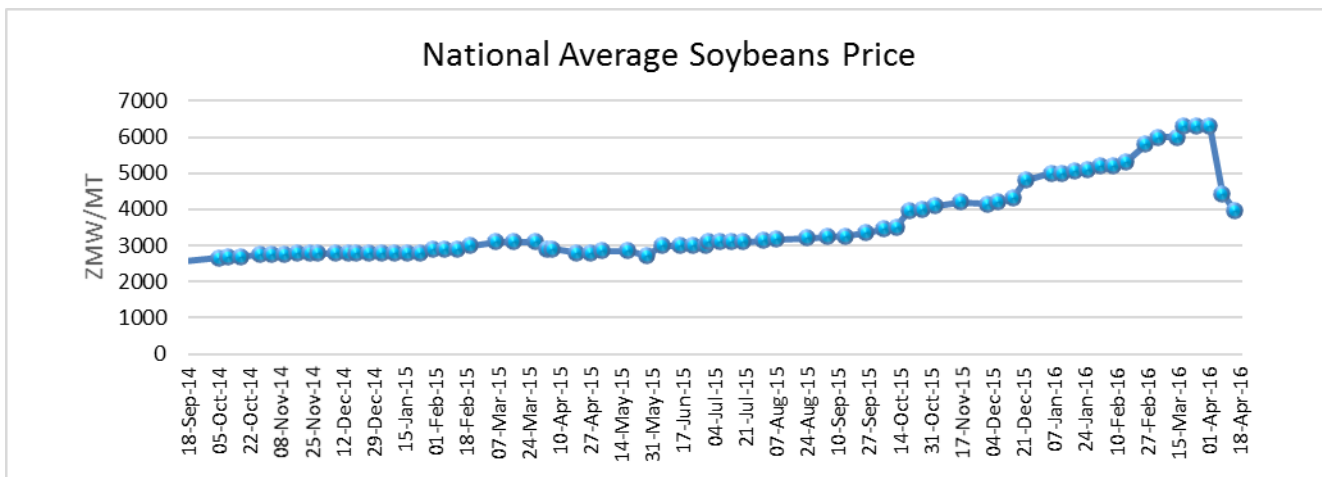
Soya Beans

Highlights

- International prices of soya beans were last week supported by news that part of the crop from Argentina, a leading exporter of soya beans, soymeal and oil, had been destroyed by rains.
- CME Soya futures price for May 2016 delivery opened trading at US\$354.21/MT on 18th April 2016.
- Local Soya beans spot prices were still hovering around ZMW5, 900-6,400/MT last week according to information captured on the ZNFU market price information system.

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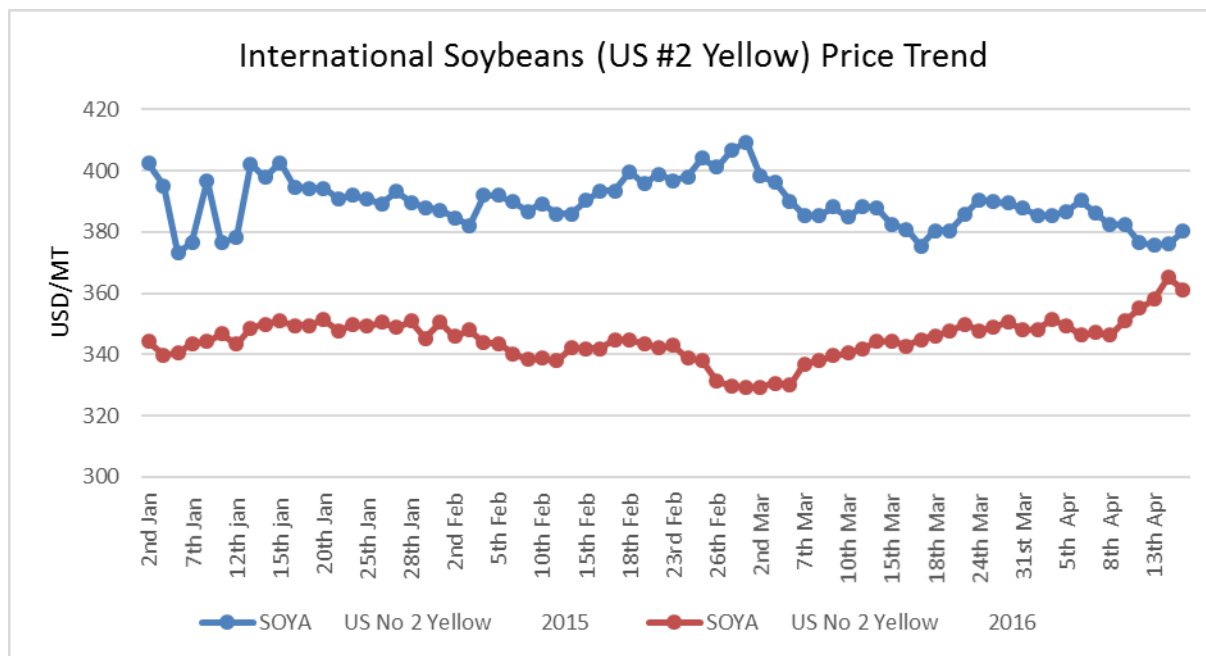




Source: ZNFU, 4455 Market Price Information System

Price trends

International spot prices for US No. 2 yellow soya beans on Safex averaged US\$358.02/MT in the week ending 15th April 2016, 2.85% above the average price of US\$348.1/MT recorded in the previous week. Prices are fob gulf.



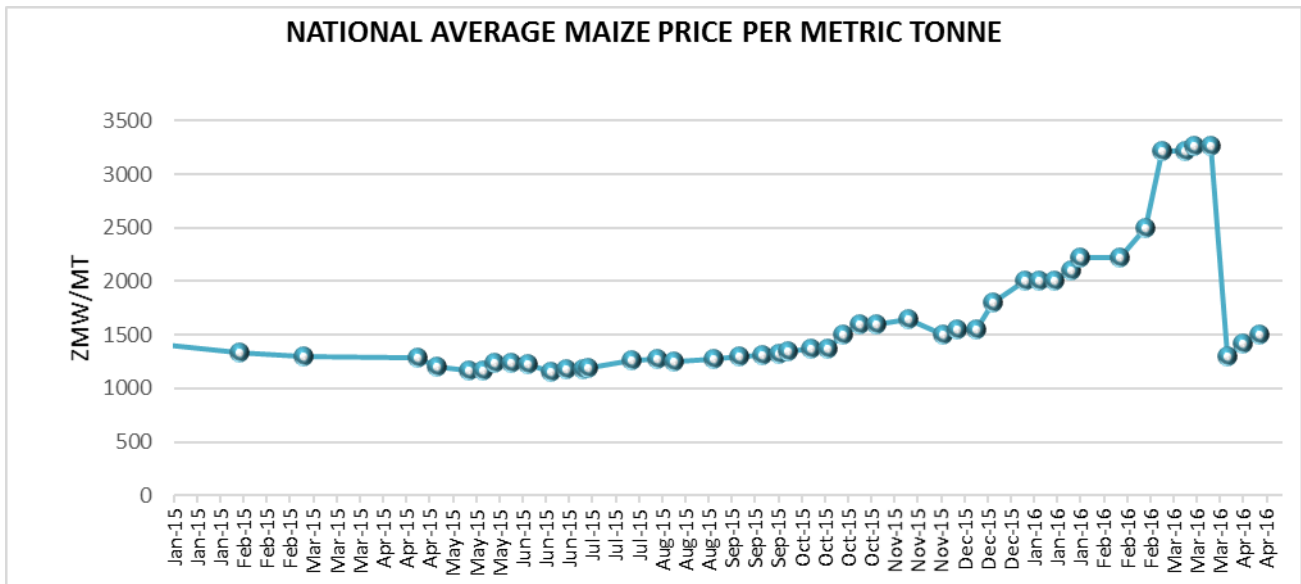
Source: Safex

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Highlights

- Malawi is forecasting a further reduction in its maize output this year. The country’s production estimates are currently around 2.43 million tons against a national consumption requirement estimated at 3.2 million tons. Zambia has been a major source of the maize grain to Malawi over the last year through both formal and informal trade. Meanwhile the Malawian President on 12th April declared a state of national disaster as the northern part of the country experiences floods and the southern drought.
- On the local scene GRZ through Ministry of Agriculture is expected to issue a Statutory Instrument (SI) to facilitate the trading of maize grain and maize products sometime this week. This follows recent announcement by the Ministry of Agriculture that the country had adequate stocks to meet the national demand for maize.
- The CME Corn futures price for March 2016 delivery opened trading at US\$147.71/MT on 18th April 2016.
- The offer price on the ZNFU market information system was in the range of ZMW 1,300/MT to ZMW 1,900/MT in the week ending 18th April 2016.



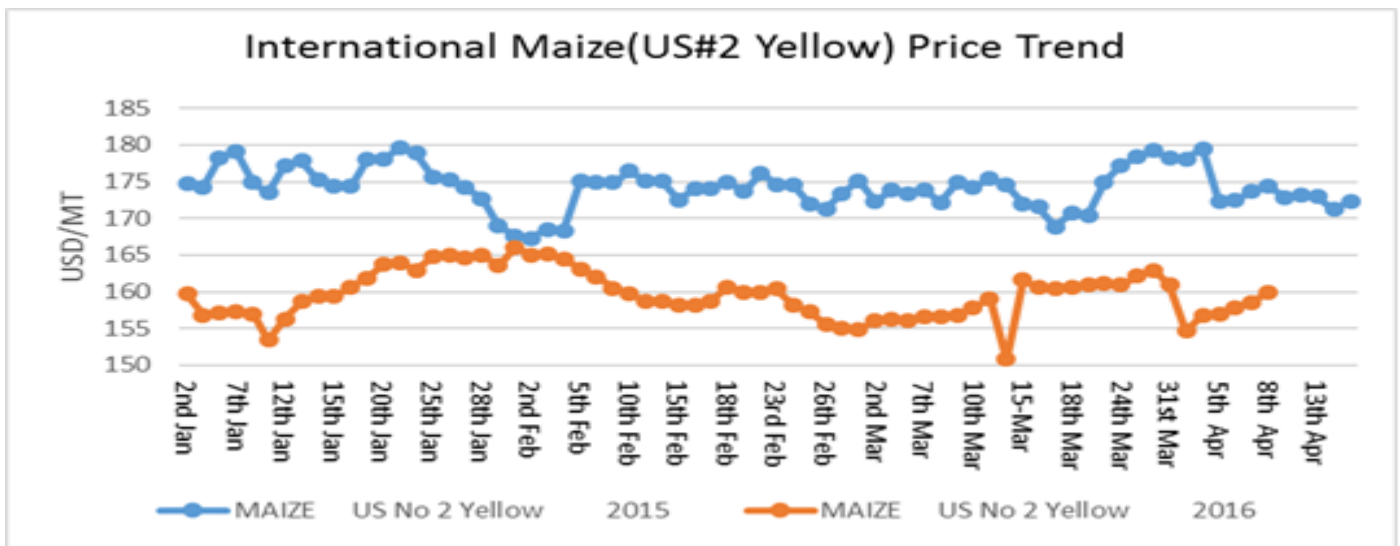
Source: ZNFU, 4455 Market Price Information System

Price trends

International maize spot prices traded at an average of US\$ 161.88/ MT during the week ending 15th April 2016, 2.42% higher than the previous week’s average. All prices are fob gulf.

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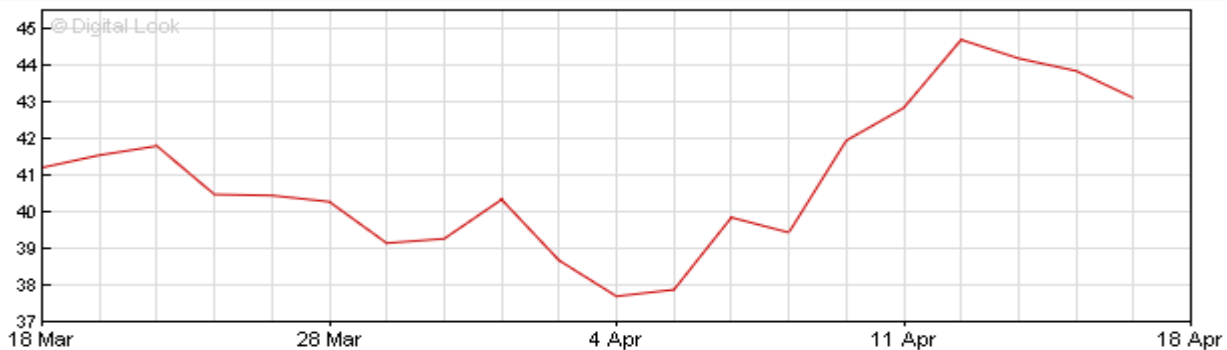


Source: Safex

Crude oil

- The much anticipated meeting of crude oil producers yielded nothing more than support to the already low crude oil prices. The heavyweights could not reach a consensus as Saudi Arabia insisted it would only participate in capping production after Iran pledged to do the same. Iran however has kept its focus on raising its output to 4 million barrels before considering any capping.
- Brent crude oil prices on 18th April 2016 settled at US\$42.02/barrel at 11:15 CAT.
- The Dubai Mercantile exchange crude oil marker price for June 2016 delivery was settled at US\$39.53/barrel on 18th April 2016, down from the settlement price of US\$38.48/ barrel on 8th April 2016.

Brent Crude Oil Futures \$/barrel



Source: BBC News, 2016.

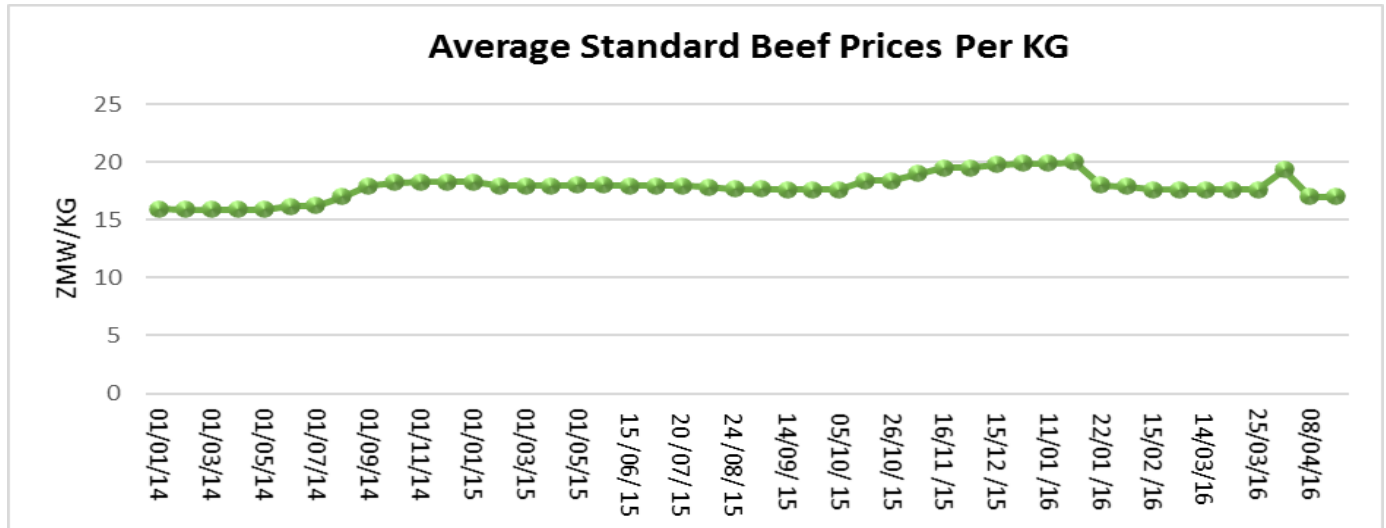
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Beef

Highlights

- According to the beef site, investigations are currently underway to establish as to whether Chloramphenicol, a banned antibiotic, was in one of the beef export shipment from Argentina to China. Chloramphenicol is a substance that has been banned in Argentina since 1995 for animals for slaughter and consumption
- Namibian grade A beef prices in abattoirs, captured by the Namibian Meat board, was trading in the range of ZAR30-37.45/kg during the week ending 4th April 2016. The auction price for heifers and weaners was ZAR15.83/kg and ZAR 17.85/kg respectively.
- Dressed weight beef prices in Zambia were still in the range of ZMW15-24/kg during the week ending 15th April 2016. This is as monitored by the ZNFU 4455 system.



Source: ZNFU, 4455 Market Price Information System

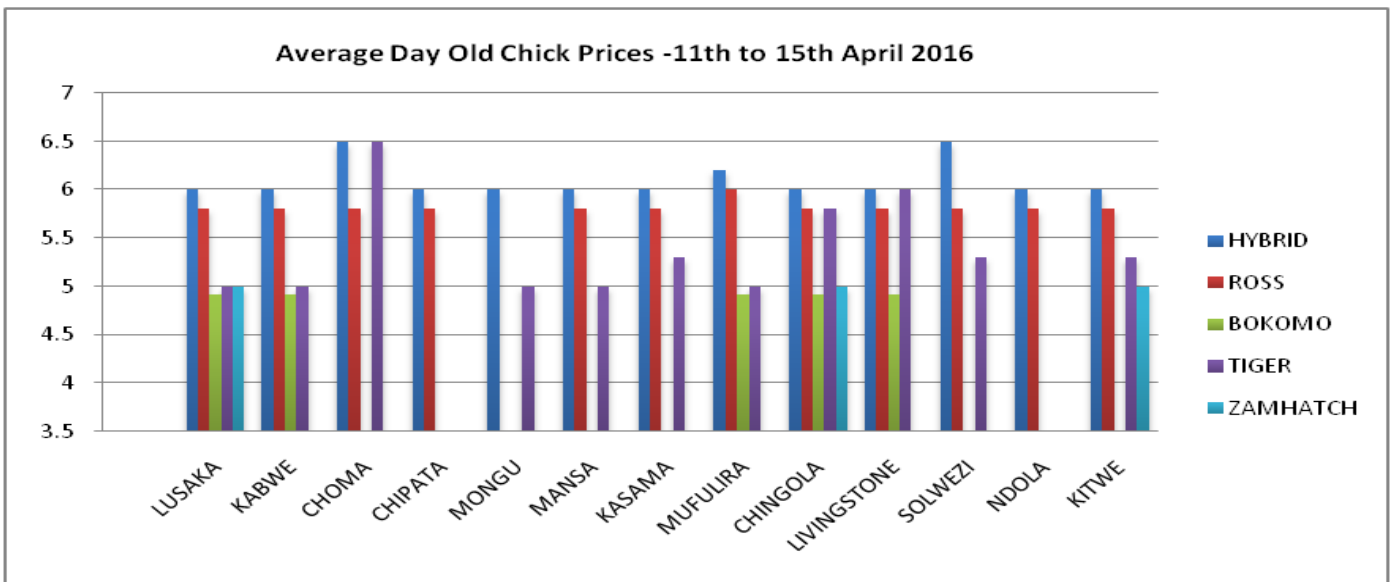
POULTRY UPDATES FOR THE WEEK ENDING 10TH APRIL 2016

AVERAGE DAY OLD CHICK PRICES

The graph below shows the price of different breeds of day old chicks in selected towns. No changes were registered in the price of day old chicks during the course of the week. However, day old chick outlets/agents have indicated that there has been a significant drop in the sales of day old chicks this year mainly caused by the increased cost of production, particularly increased cost of feed which some of the small scale farmers cannot keep up with.

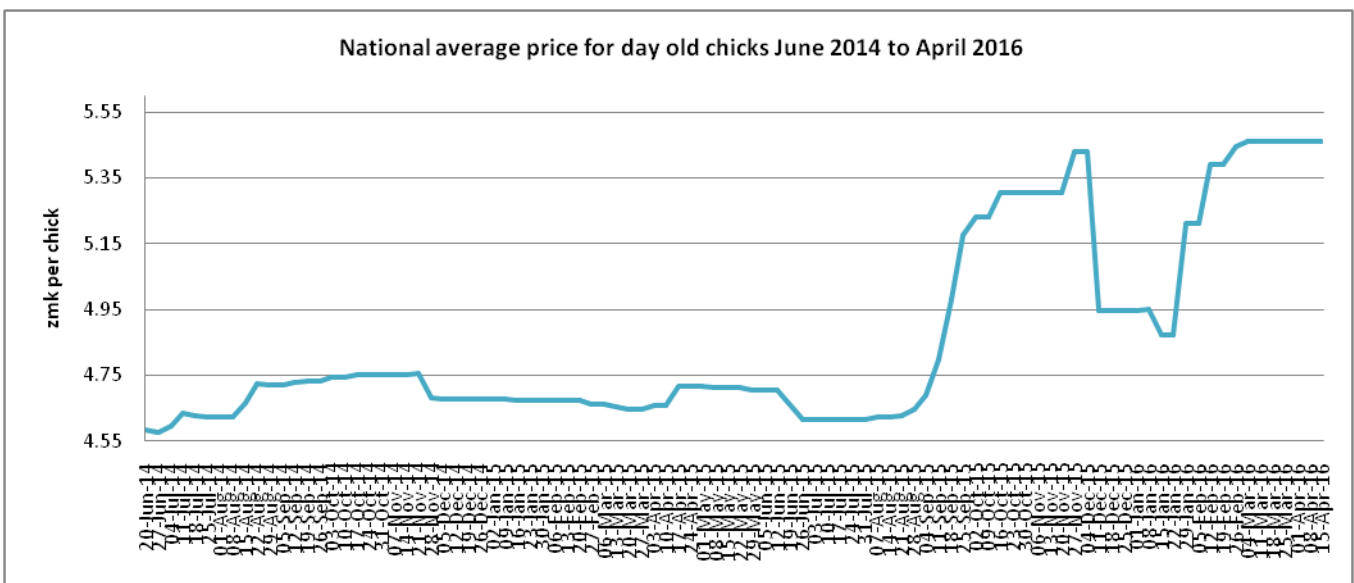
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Source: Poultry Association of Zambia

The graph below shows the national average price trend for day old chicks from June 2014 to April 2016. The graph also shows that the national average price of day old chicks has been at ZMW5.46 since March 2016. However, the graph shows that compared to similar period of last year, the national average price of day old chicks is up by 16%.



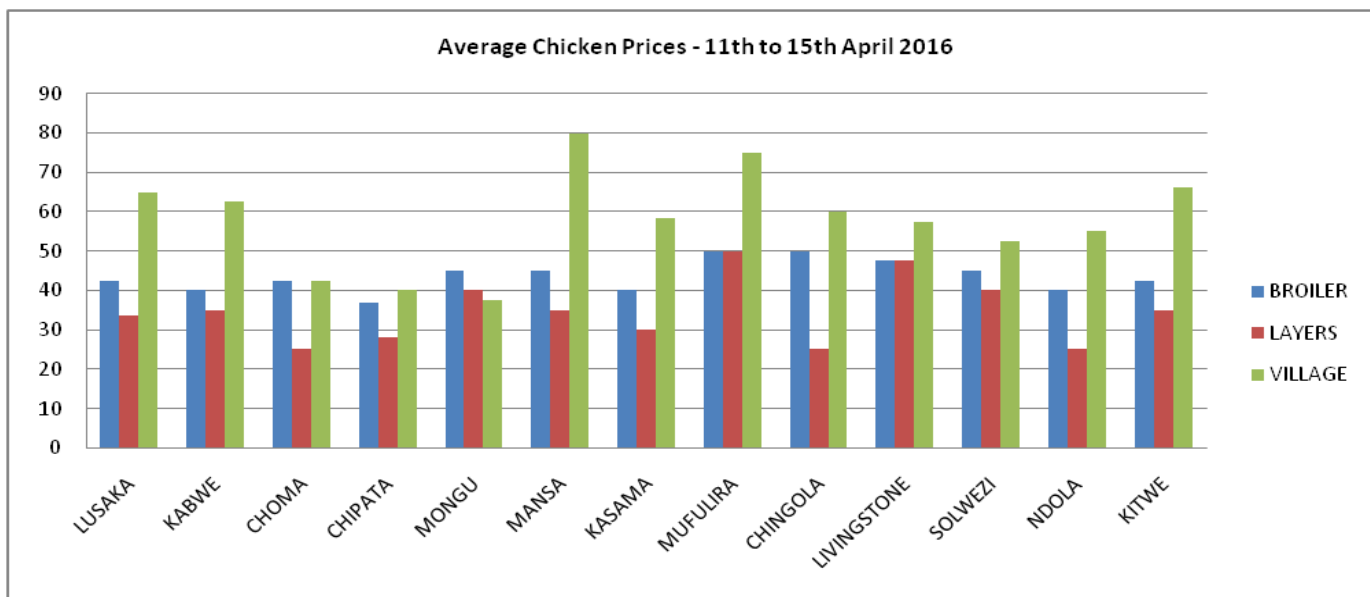
Source: Poultry Association of Zambia

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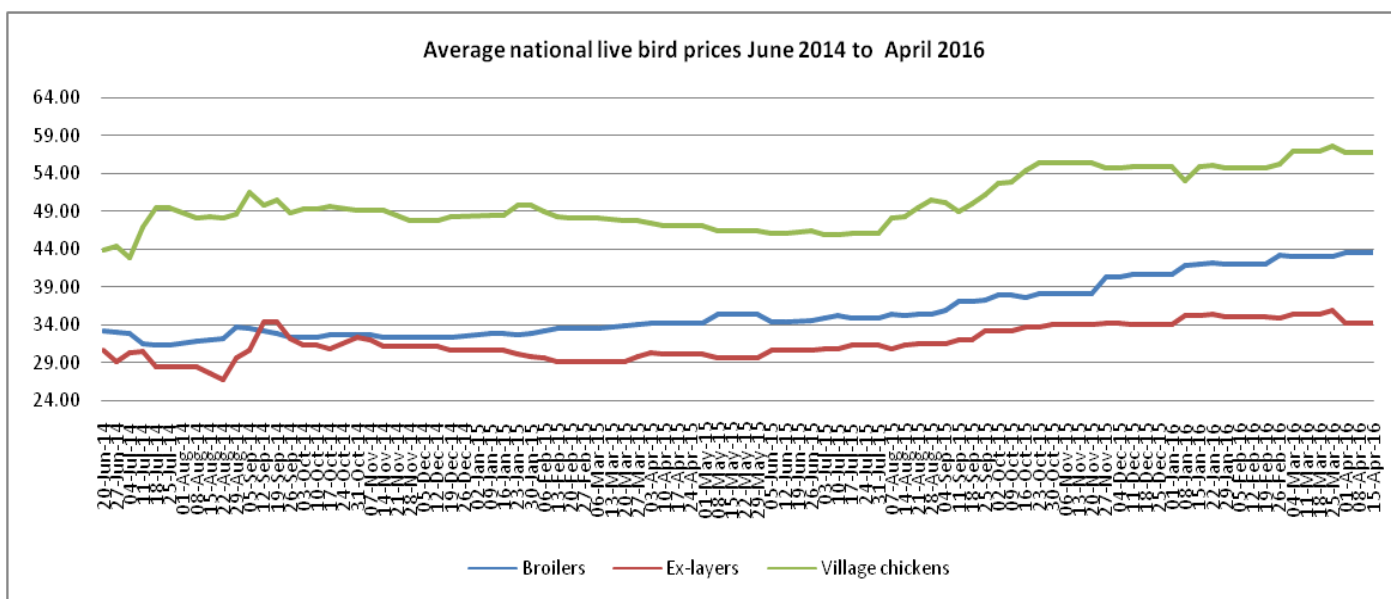
AVERAGE LIVE BIRDS PRICES

The graph below shows the average live bird prices in selected districts. Live bird sales have continued to be characterised by competitive pricing leading to relatively stable prices regardless of increases in the cost of producing poultry. In view of the above, there has been no major changes in the price of live birds during the course of the week.



Source: Poultry Association of Zambia

The graph below shows the national average price trends for broilers, ex-layers and village chickens. The national average price for broilers, ex-layers and village chickens during the course of the week was ZMW43.62, ZMW34.21 and ZMW56.76 respectively.

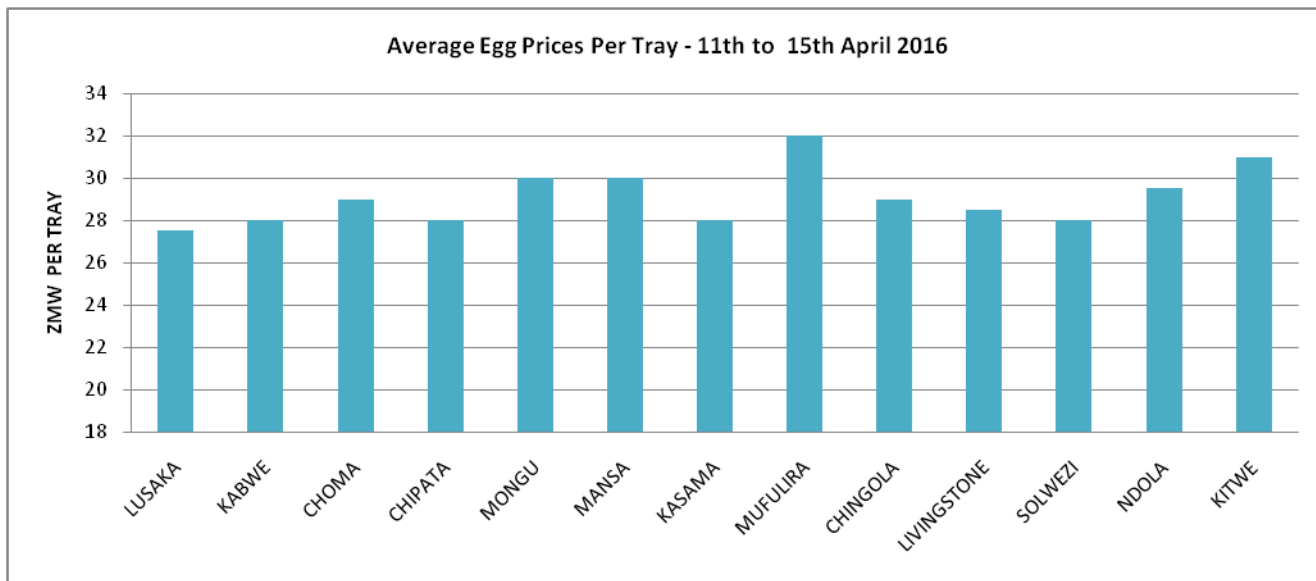


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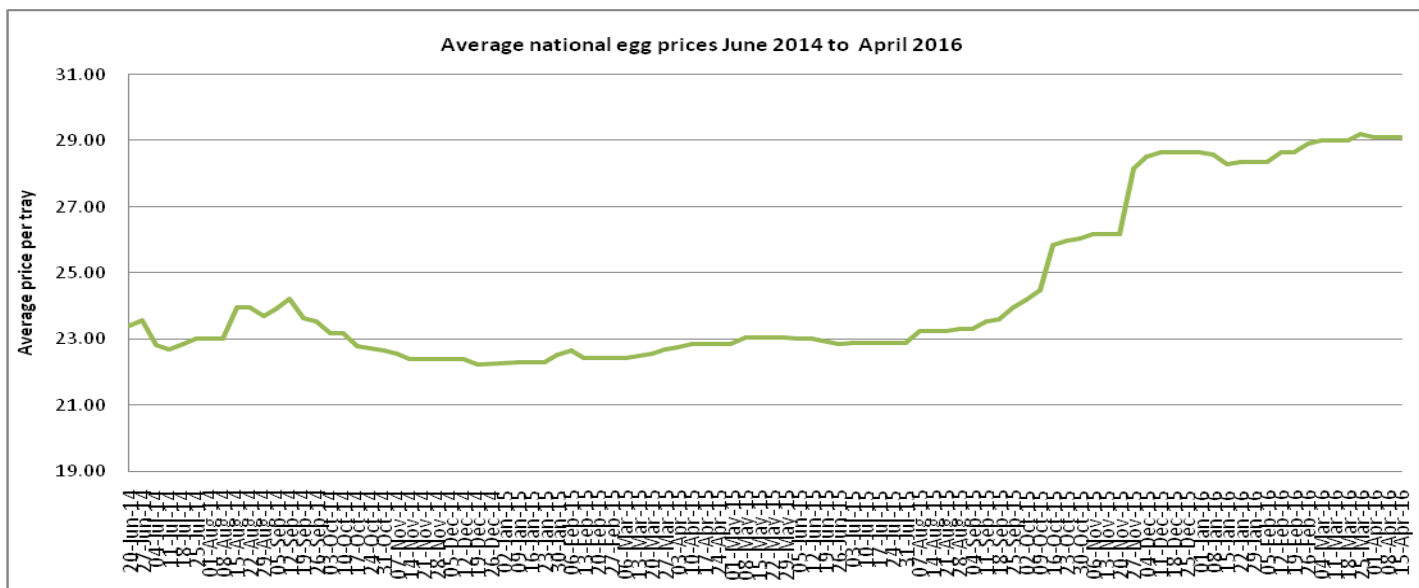
AVERAGE EGG PRICES

The graph below shows average retail prices of table eggs in selected towns around the country. Prices of eggs remained relatively stable 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 April 2016. The graph shows that the average price of eggs is ZMW29.12. This is a 27% price increase compared to similar period last year.

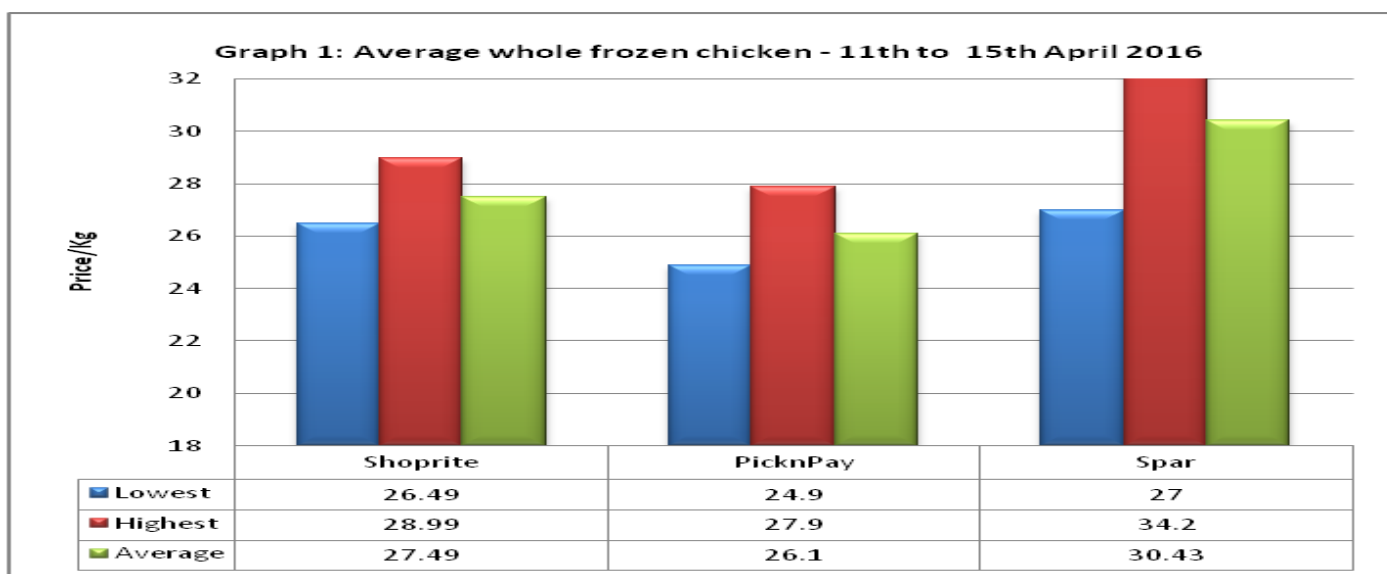


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AVERAGE WHOLE DRESSED CHICKEN PRICES

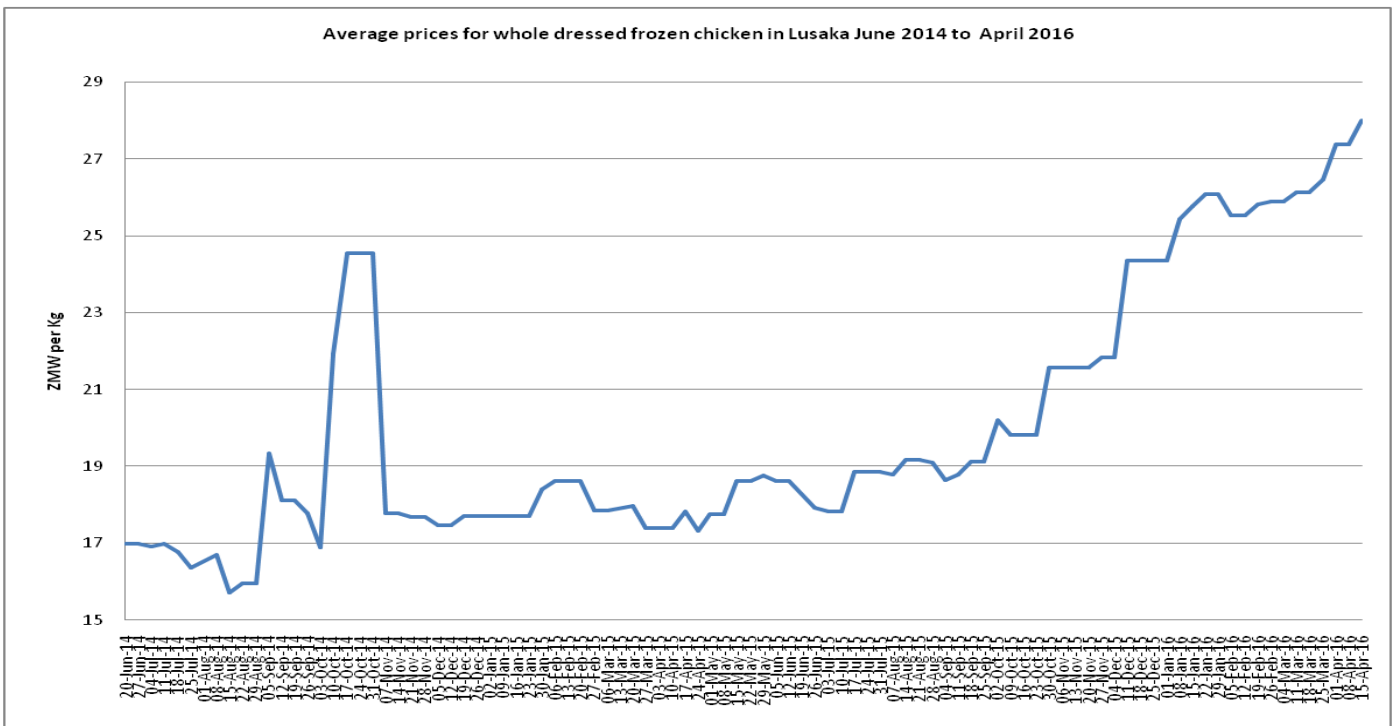
Graph 1 shows average prices of whole frozen chickens in the three chain stores around Lusaka. Spar had the highest average price per kilogram at ZMW30.43 with the lowest and highest going for ZMW27 and ZMW34.20 respectively. While Pick n’ Pay had the lowest average price for frozen whole chicken at ZMW26.10 with the lowest priced chicken at ZMW24.90 and the highest going for ZMW27.90. On the other hand, the average price for frozen whole chicken per kilogram in Shoprite was ZMW27.49 with the lowest going for ZMW26.49 and the highest going for ZMW28.99.



The graph below shows the average price trend for whole frozen chicken in Lusaka from June 2014 – April 2016. The graph shows that the average price for frozen whole chicken has continued with an uptrend due to the high cost of production and was at ZMW27.49 per kilogram during the course of the week.

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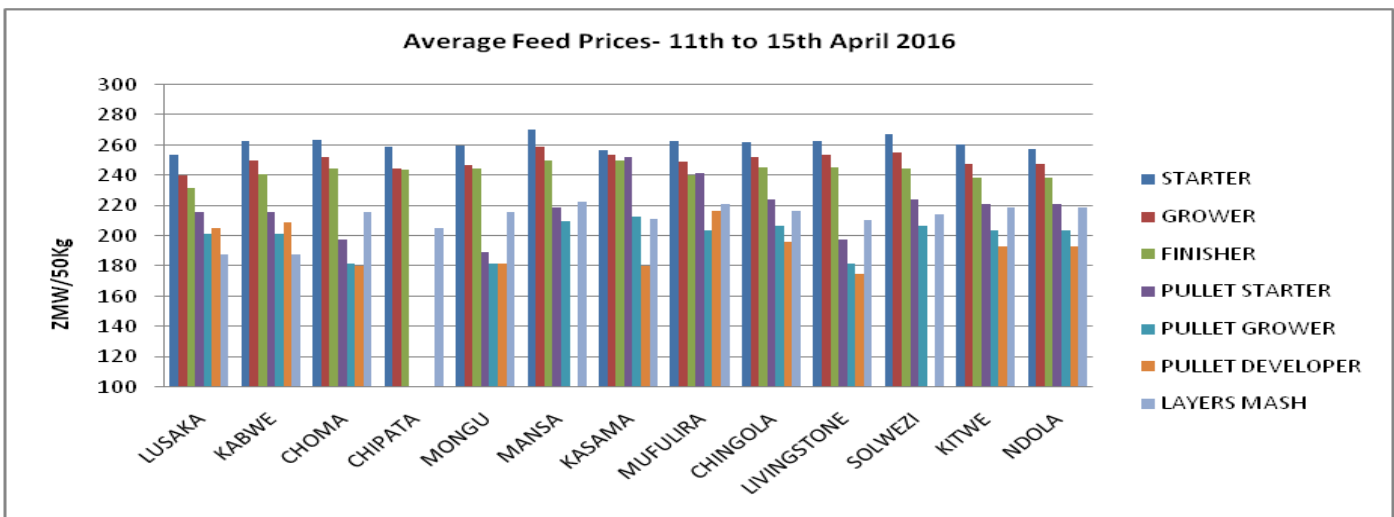




Source: Poultry Association of Zambia

AVERAGE FEED PRICES

The graph below shows average feed prices in selected towns. Accounting for over 70% of poultry production costs, the price of feed is one of the most important factors in the poultry industry. For over a month the price of stock feed, though still high has remained relatively stable with only minimal adjustments.

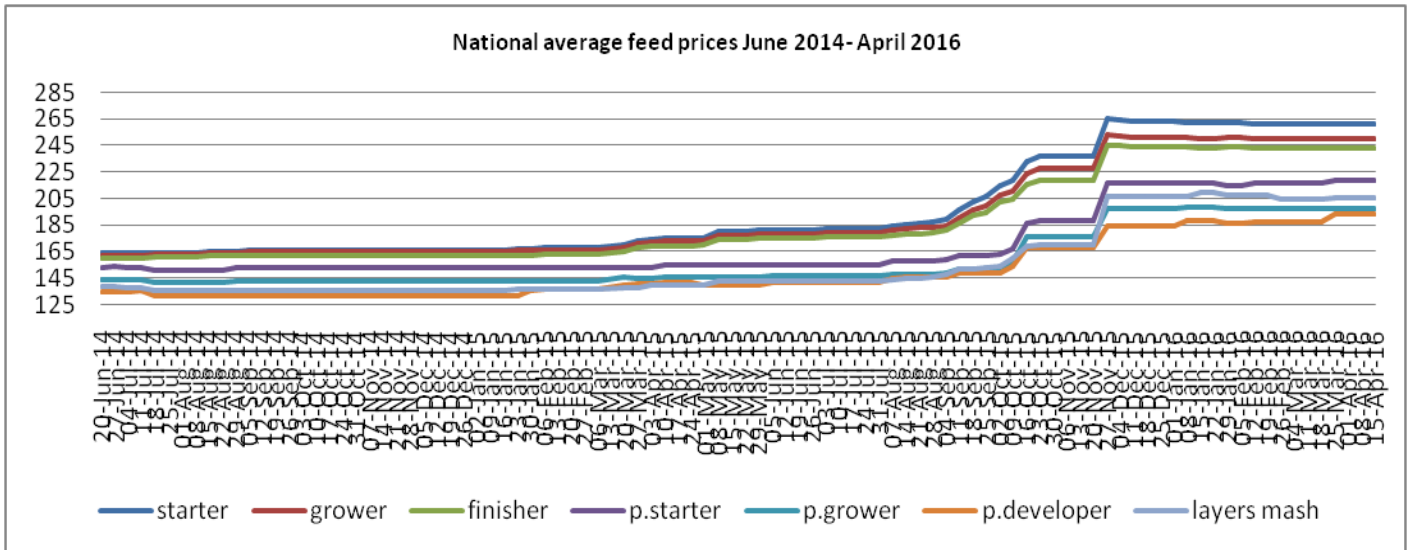


Source: Poultry Association of Zambia

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The graph below shows the national average price trend of feed from June 2014 to April 2016. The graph shows that poultry stock feed prices were stable during the course of the week.



Source: Poultry Association of Zambia

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