



THE WEEKLY AGRO WATCH



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In this week's issue:

- *Soya Beans production increases by 18.19%*
- *No rain is forecast in selected districts*

Zambia Forecasts a 9.7% increase in maize production

The 2015/2016 crop forecasting survey has revealed that the country will record an increased maize harvest, Agriculture Minister Given Lubinda has said.

Mr Lubinda told Parliament in a ministerial statement yesterday that the forecast indicated an output of 2,873,052 tonnes, an increase of 9.73 percent from the 2,618,221 tonnes produced last year.

“The national food balance sheet for the 2016/2017 marketing season based on the crop forecasting survey shows that the country has produced

sufficient maize for both human consumption and industrial use. “The country also has a maize carry-over stock amounting to 667.524 tonnes as at May 1, 2016,” Mr Lubinda said.

He said of the carry-over stock, the Food Reserve Agency (FRA) was holding 360,648 tonnes, the Grain Traders Association of Zambia (GTAZ) 207,771, Zambia National Farmers Union (ZNFU) 36,701 while small and medium scale farmers held 38,751 tonnes. Mr Lubinda said when the maize carry-over stock from last season is added to the maize production for the 2015/2016 agricultural season, the total supply of maize available for the 2016/2017 marketing season is 3,540,577 tonnes.

“For the current population, the food balance sheet shows that the total maize required for human consumption, industrial use and other commitments amounts to 2,887,810 tonnes.

“The total maize requirements include an anticipated national strategic reserve stock of 500,000 tonnes to be held by FRA and when the total maize requirements are subtracted from the total availability of the crop, the country has recorded a maize surplus of 634,681 tonnes,” he said.

Exchange Rates

CURRENCY	04/05/2016						25/04/2016					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
FNB	9.55	9.75	0.65	0.66	13.89	14.17	9.35	9.50	0.65	0.66	13.45	13.73
Standard Chartered Bank	-	-	-	-	-	-	9.32	9.50	0.65	0.66	13.49	13.75
ZANACO	9.61	9.79	0.64	0.66	13.93	14.18	9.36	9.51	0.65	0.66	13.48	13.73
Bank of Zambia	9.67	9.69	0.651	0.653	14.02	14.05	9.42	9.43	0.650	0.652	13.64	13.67

Parity Prices

Domestic Import Parity Prices as at 03/05/2016

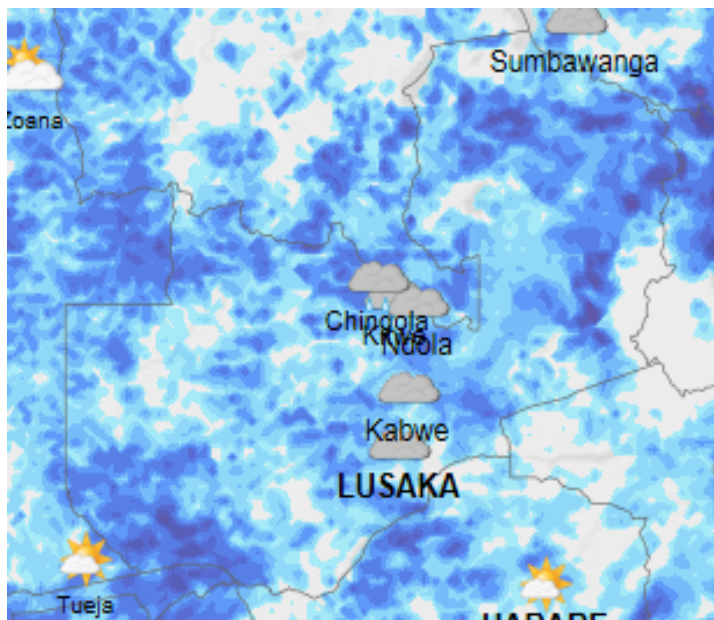
US\$/ZAR=14.17 US\$/ZMW=9.7

Parity Prices		U\$/ZMW Maize	Soya	Wheat	
Lusaka		9.5	483.22	606.16	489.5
Town	Ex-Lusaka freight (ZMW)	\$	\$	\$	\$
Chipata	275	28.95	512.17	635.11	518.45
Mkushi	225	23.68	506.90	629.84	513.18
Ndola	250	26.32	509.54	632.48	515.82
Kitwe	250	26.32	509.54	632.48	515.82

*Note: wheat import parity prices are for July delivery while the rest are for June delivery.

Weather Forecast

The table below summarizes the weather forecast for some selected towns for the period, 4th to 9th May 2016.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ The week will mostly be fair to partly cloudy with no rains ➤ Average daily Temps: 15 -26°C
Mkushi	<ul style="list-style-type: none"> ➤ Clear to partly cloudy skies with no rainfall is forecast for the week. ➤ Average daily Temps:14-24°C
Kabwe	<ul style="list-style-type: none"> ➤ Clear to partly cloudy skies with no rainfall forecast for the week. ➤ Average daily Temps: 14-25°C
Lusaka	<ul style="list-style-type: none"> ➤ The week is expected to be mostly be clear to partially cloudy skies. ➤ Average daily Temps: 13-24°C
Mazabuka	<ul style="list-style-type: none"> ➤ Clear to partly cloudy skies with no rainfall is forecast for the week. ➤ Average daily Temps: As as 12°C is expected on 7th while the upper limit is 25°C
Choma	<ul style="list-style-type: none"> ➤ Mainly clear skies are forecast in the period under review with no rains. ➤ Average daily Temps: 12 -24°C

Livingstone	<ul style="list-style-type: none"> ➤ Mostly clear skies with no rainfall forecast for the week. ➤ Average daily Temps: 15-26°C
Mongu	<ul style="list-style-type: none"> ➤ The week will mostly have clear to partly cloudy skies with no rains. ➤ Average daily Temps: 17-29°C.
Mansa	<ul style="list-style-type: none"> ➤ No rains have been forecast this week. Clear to partly cloudy skies are forecast. ➤ Average daily Temps: 16-26°C.
Kasama	<ul style="list-style-type: none"> ➤ The week will have clear to partially cloudy skies. ➤ Average daily Temps: 14-25 °C.
Solwezi	<ul style="list-style-type: none"> ➤ The week will mostly be fair to partly cloudy with no rains ➤ Average daily Temps: 15-27°C.
Chipata	<ul style="list-style-type: none"> ➤ Clear to partly cloudy skies with no rainfall is forecast for the week. ➤ Average daily Temps: 15-26°C.

Source: Norway meteorological Institute

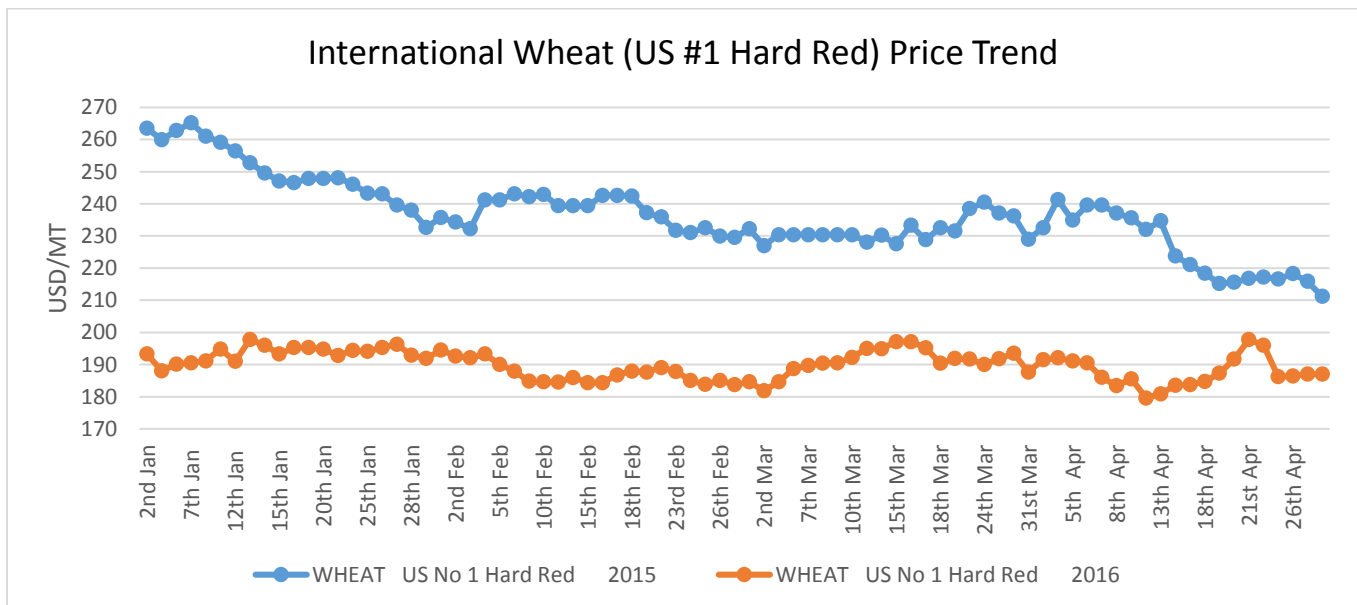
Wheat

Highlights

- Early indications on intentions to plant wheat by South African farmers are that the area under the crop will be 300 ha lower than the 2015 plantings of 482,150 hectares. This is according to the country's Department of Agriculture, Forestry and Fisheries. This is likely to increase South Africa's wheat import requirements. South Africa's wheat area plantings have been generally on a decline over the last decade save for 2008 and 2011 when there were some slight spikes before the downward trend was continued in subsequent years.
- On the local scene, some famers are still stuck with wheat after some millers reneged on the contracts signed pre-harvest. The slow uptake of the commodity over the last eight months by millers has been a source of concern on the sustained growth of the local wheat production base.
- Average local wheat prices continued to hover around ZMW 5,568/MT according to ZNFU market price information system
- CME wheat futures prices for July 2016 opened trading at US\$178.79MT on 2nd May 2016.

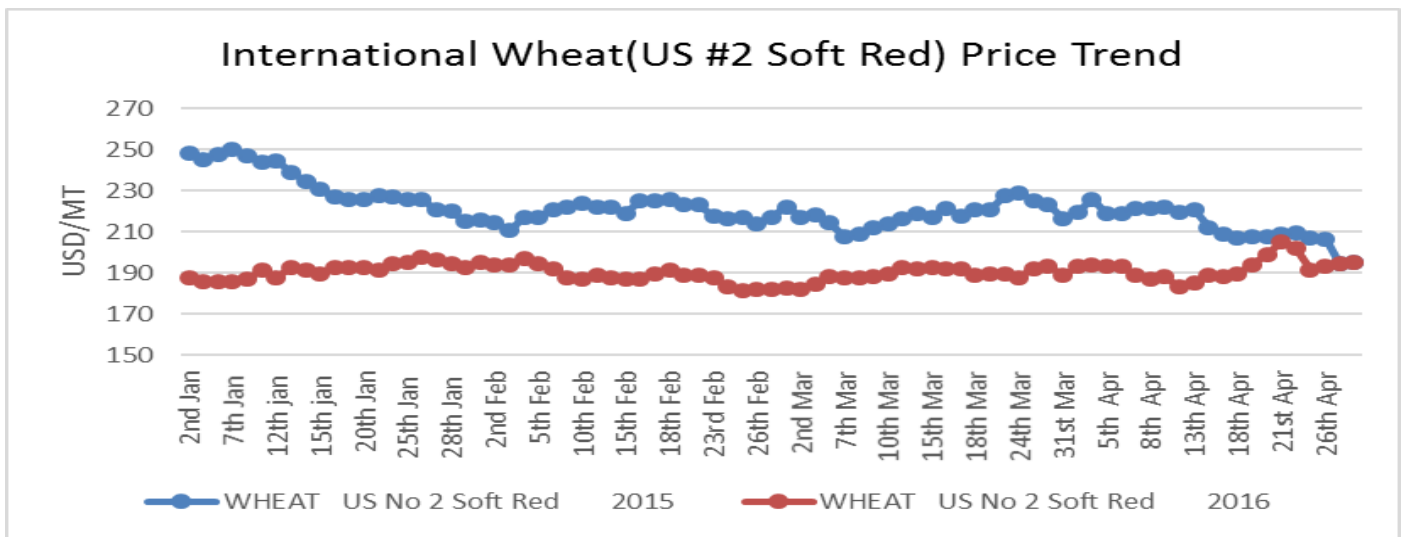
Price trends

The Safex international soft red and hard red wheat prices averaged US\$ 186.68/MT and US\$ 193.59/MT during the week ending 29th 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

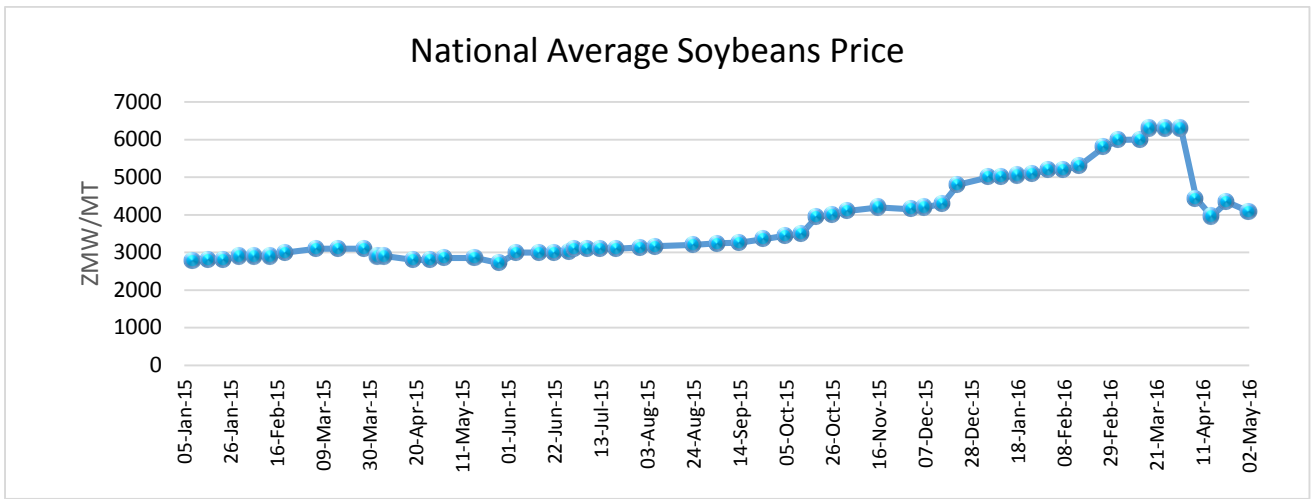
Soya Beans

Highlights

- There has been some increased optimism on South Africa's soya beans crop with the government raising its 4th production forecast higher by 0.4% to 694,550MT. the country's average yield has been pegged at 1.38tons/ hectare.
- On the local scene, the harvest of soya beans is in progress with a number of farmers anticipating better yields than last year. The Crop forecast results indicate a national production of 267,490 MT this is higher than last year's projected output by 18.19 percent.
- CME Soya futures price for July 2016 delivery opened trading at US\$378.31/MT on 2nd May 2016.
- According to the ZNFU market Price Information System, average national offer prices were hovering around ZMW 4,085/MT last week as shown in the graph below;

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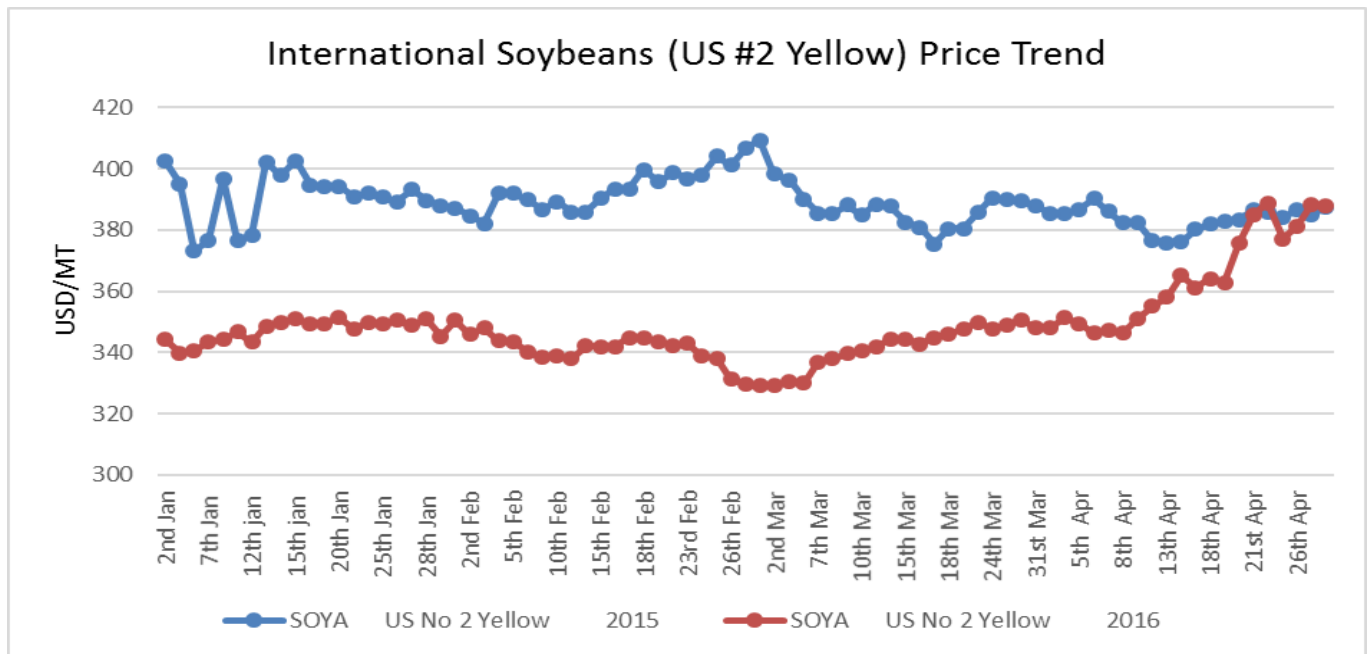




Source: ZNFU, 4455 Market Price Information System

Price trends

International spot prices for US No. 2 yellow soya beans on Safex averaged US\$383.67/MT in the week ending 29th April 2016, 2.5% above the average price of US\$375.24/MT recorded in the previous week. Prices are fob gulf.



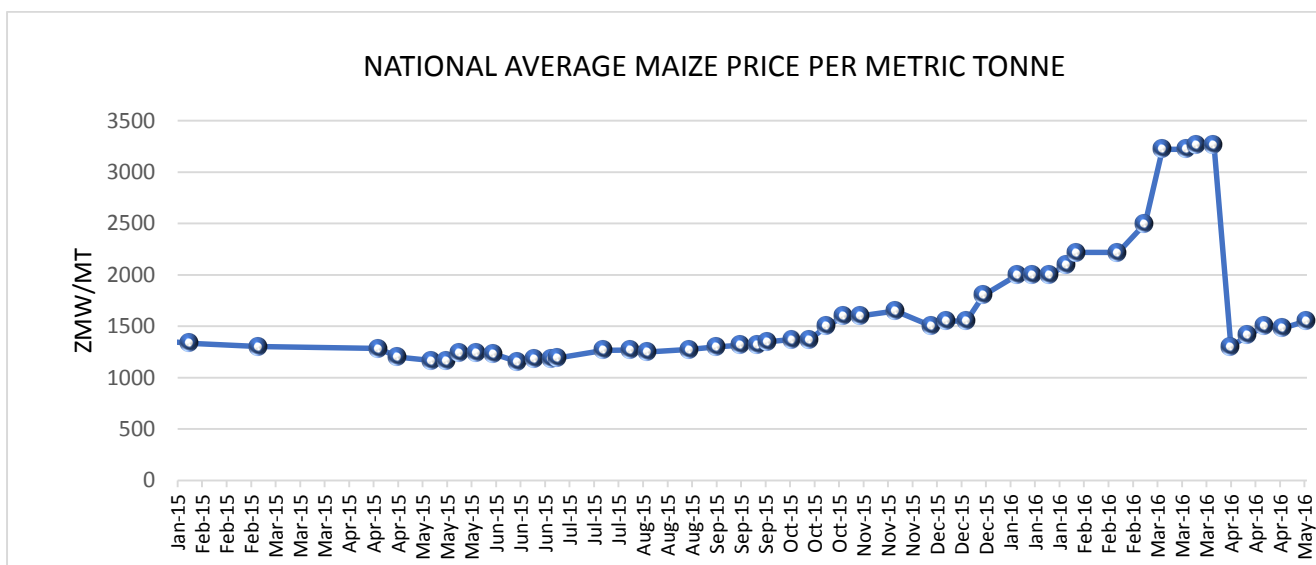
Source: Safex

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Highlights

- the expected commercial maize crop by South Africa has been set at 7,054 million tons, which is 0,15% or 10 900 tons less than the previous forecast of 7,065 million tons. The country’s expected output has been steadily declining with each successive forecast over the last four months.
- Meanwhile, Zambia is anticipating a moderate maize surplus of 634,681MT after the 2015/16 crop forecast results estimated the national production at 2,887,810 MT. As at 1st May, 2016, the country had a carryover stock of 667.524 while the total consumption requirement for the 2016/17 marketing year has been pegged at 2,887,810MT
- The CME Corn futures price for July 2016 delivery opened trading at US\$153.61/MT on 2nd May 2016.
- The maize average offer price on the ZNFU market information system was ZMW 1552/MT in the week ending 2nd May 2016 as shown below:



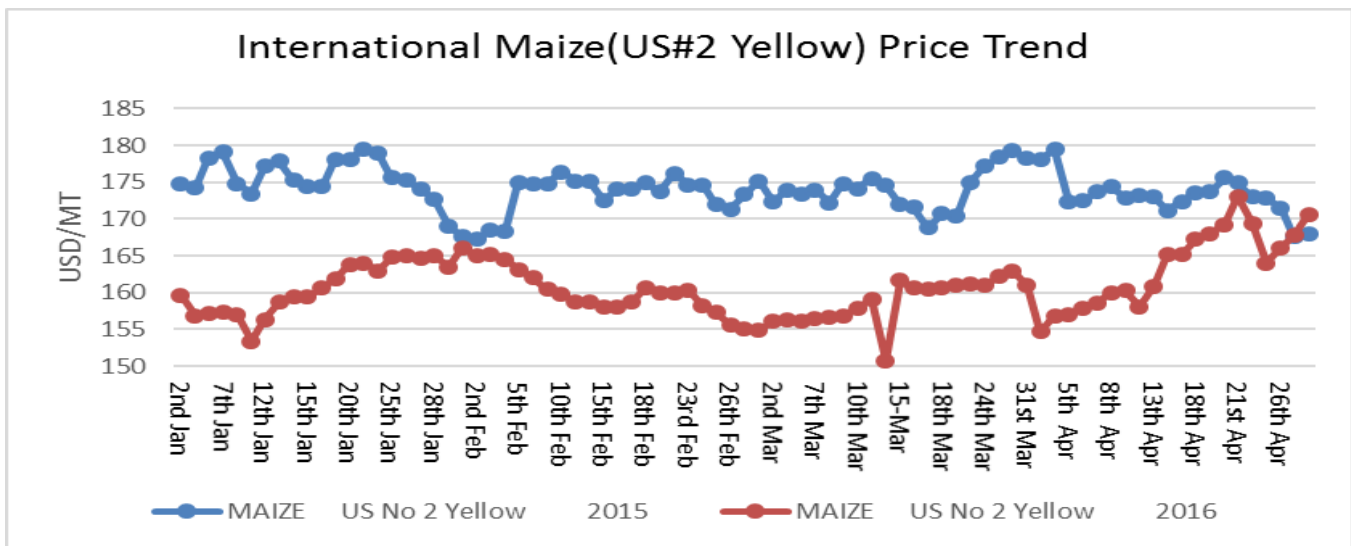
Source: ZNFU, 4455 Market Price Information System

Price trends

International maize spot prices traded at an average of US\$ 167.11/ MT during the week ending 29th April 2016, 1.35% lower than the previous week’s average. All prices are fob gulf.

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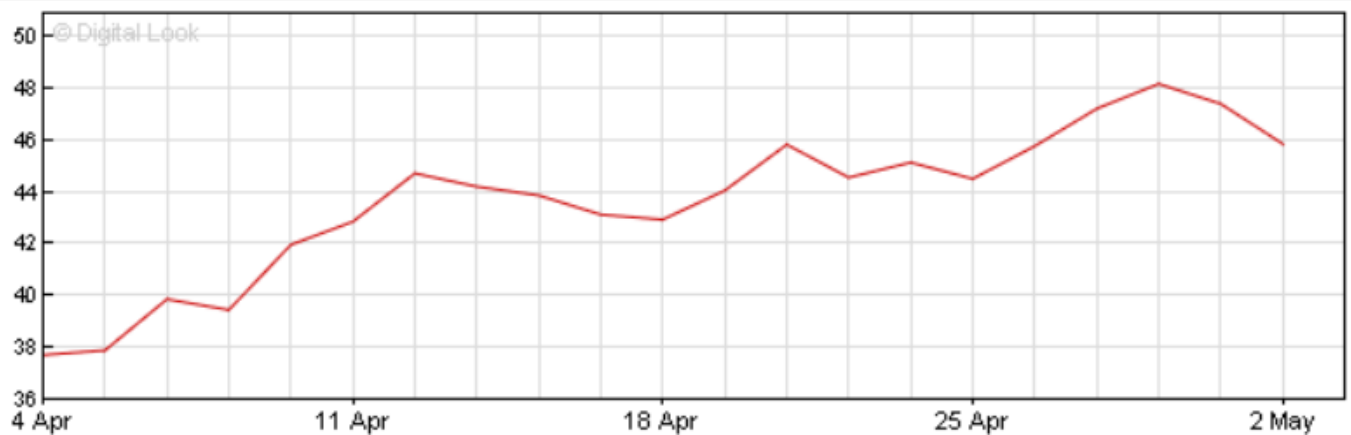


Source: Safex

Crude oil

- Brent crude oil futures prices closed trading on 2nd May 2016 around US\$45.93/barrel while spot prices were hovering around US\$47.93/barrel on Friday last week.
- The Dubai Mercantile exchange crude oil marker price for June 2016 delivery was settled at US\$43.96/barrel on 29th April 2016, up from the settlement price of US\$40.77/ barrel on 25th April 2016.

Brent Crude Oil Futures \$/barrel



Source: BBC News, 2016.

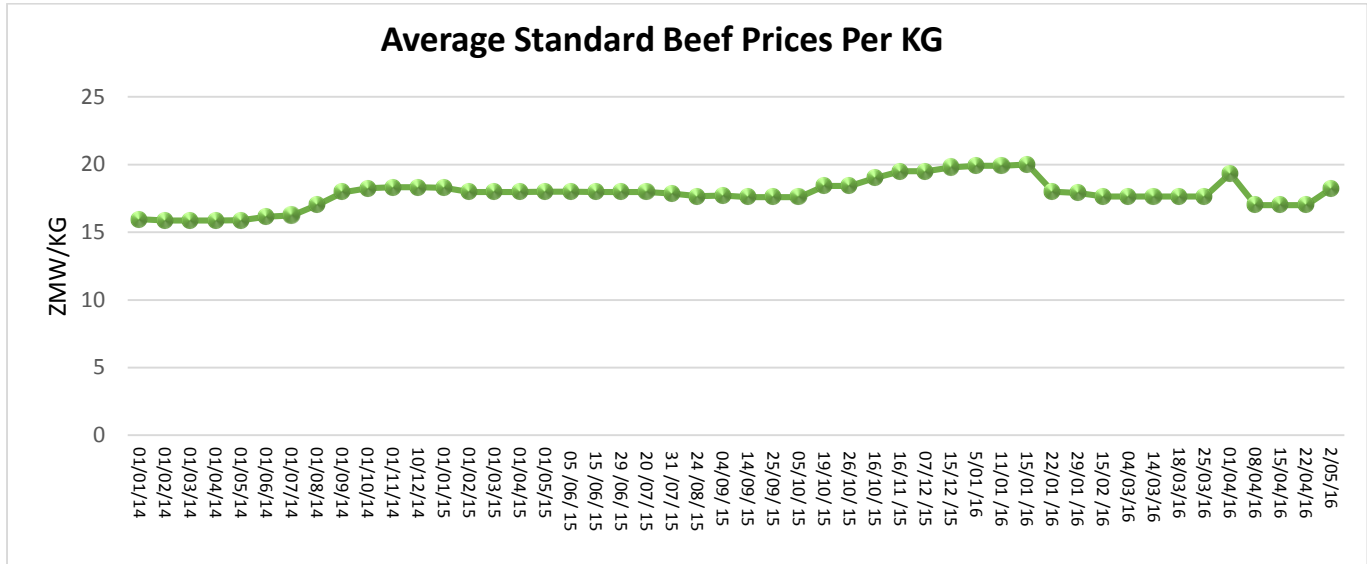
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Beef

Highlights

- Namibian grade A beef prices in abattoirs, captured by the Namibian Meat board, was trading in the range of ZAR31.1-37.25/kg during the week ending 25th April 2016. The auction price for heifers and weaners was ZAR16.11/kg and ZAR 18.01/kg respectively on 22nd April 2016.
- Dressed weight average beef prices in Zambia was ZMW18.25/kg during the week ending 2nd May 2016. This is as monitored by the ZNFU 4455 system.



Source: ZNFU, 4455 Market Price Information System

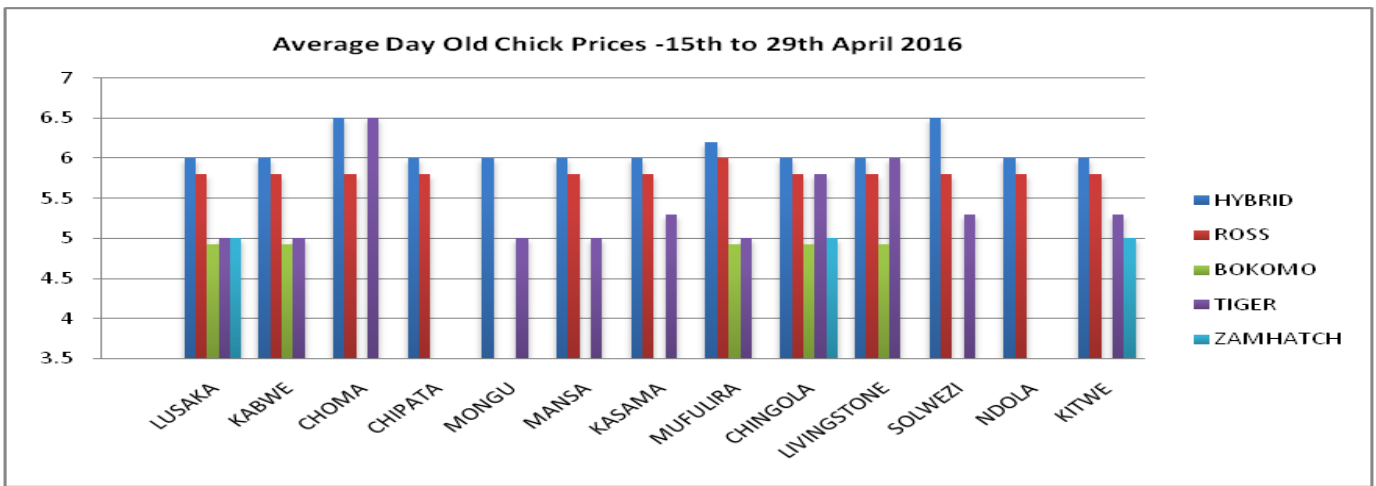
POULTRY UPDATES FOR THE WEEK ENDING 23rd APRIL 2016

AVERAGE DAY OLD CHICK PRICES

The graph below shows the price of different breeds of day old chicks in selected towns. During the course of the week the price of Hybrid day old chicks in Chingola was adjusted to ZMW5.95. Prices in other towns remained static with the highest average price of day old chicks standing at ZMW6.5.

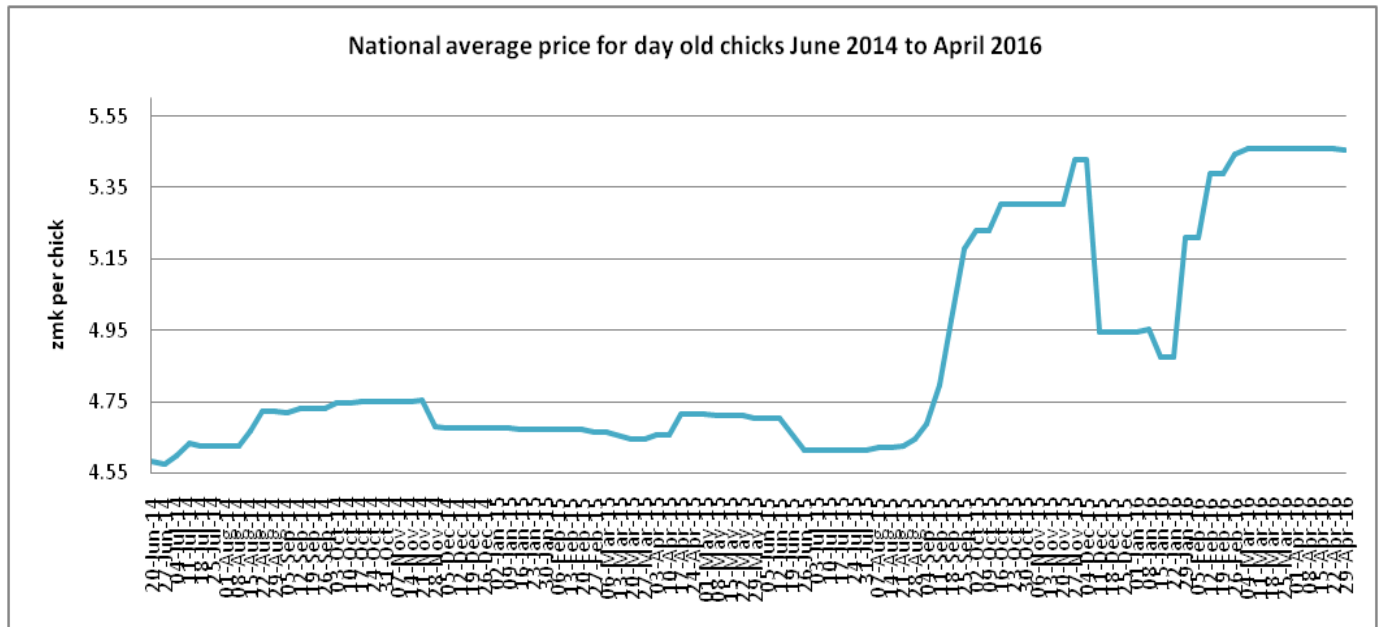
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Source: Poultry Association of Zambia

The graph below shows the national average price trend for day old chicks from June 2014 to April 2016. The graph also shows a slight reduction in the average price of day old chicks to ZMW5.45, however compared to a similar period in 2015, the national average price of day old chicks is up by 15.7%.



Source: Poultry Association of Zambia

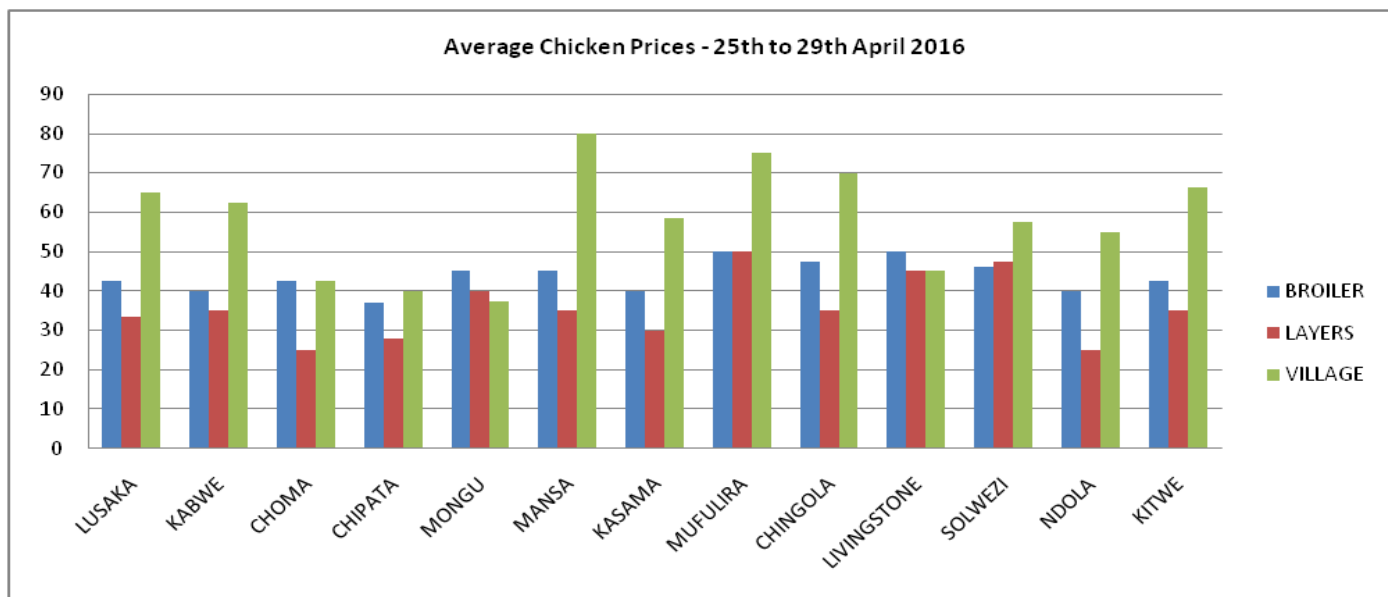
AVERAGE LIVE BIRDS PRICES

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 broiler live birds in Chingola

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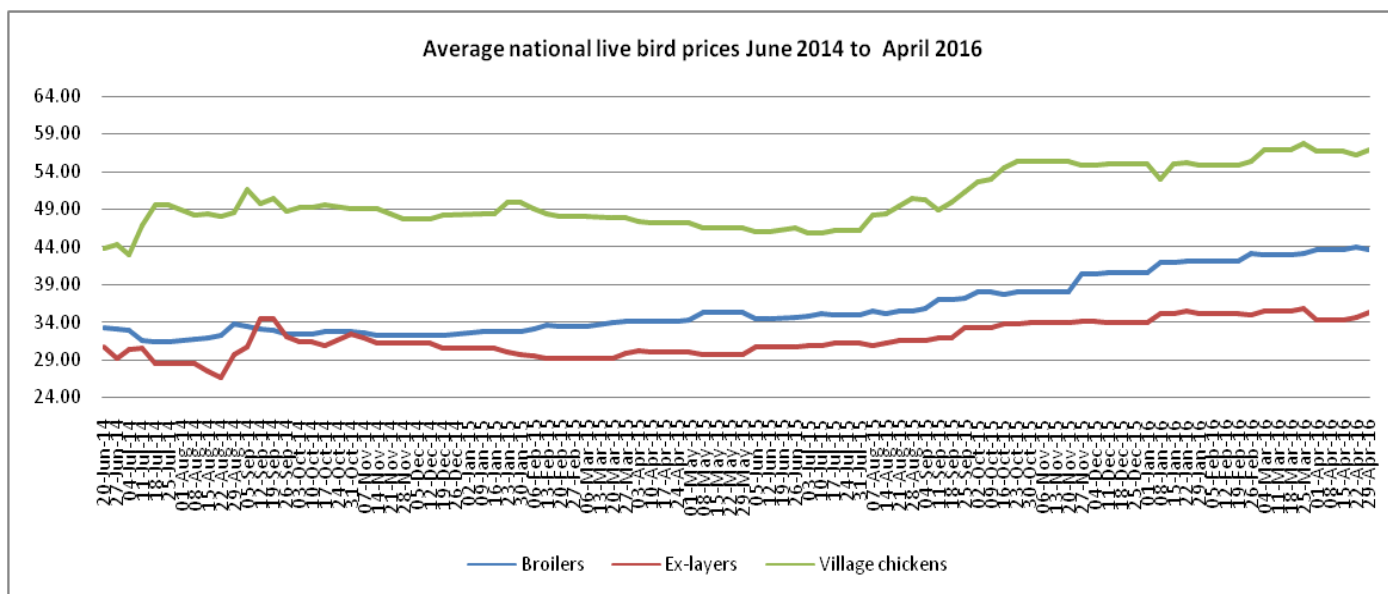


declined by 5% from ZMW50 to ZMW47.5 while the average price for ex-layers went up from ZMW25 to ZMW35 representing a 40% increase in price.



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 ZMW43.69, ZMW35.29 and ZMW56.93 respectively.



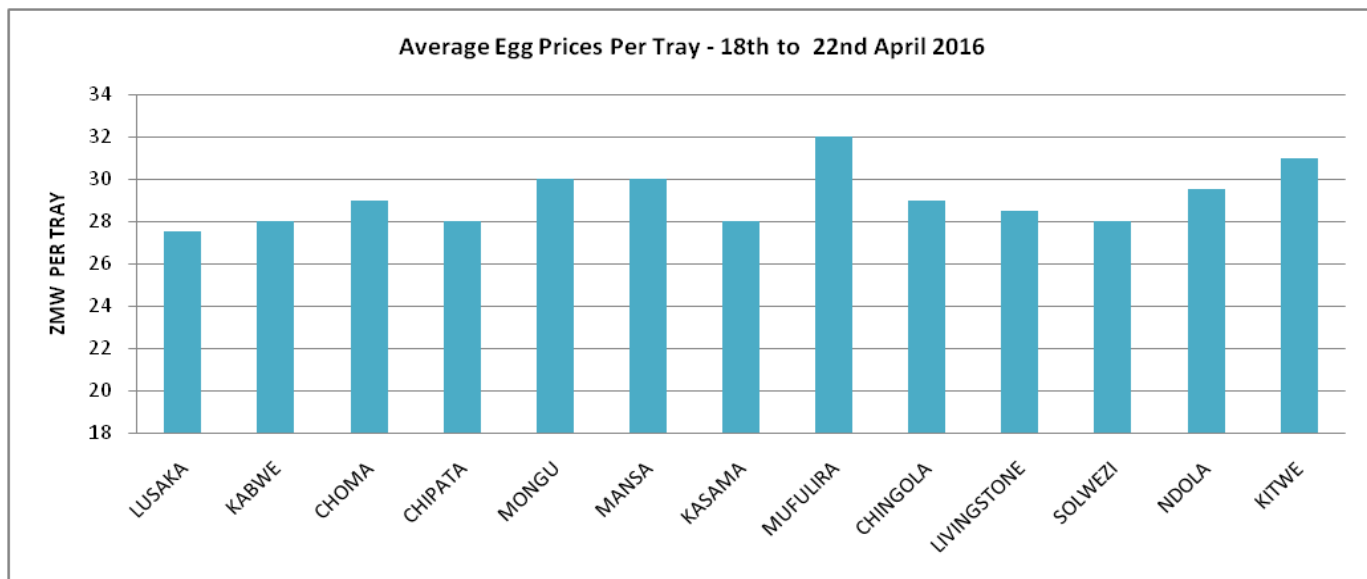
Source: Poultry Association of Zambia

AVERAGE EGG PRICES

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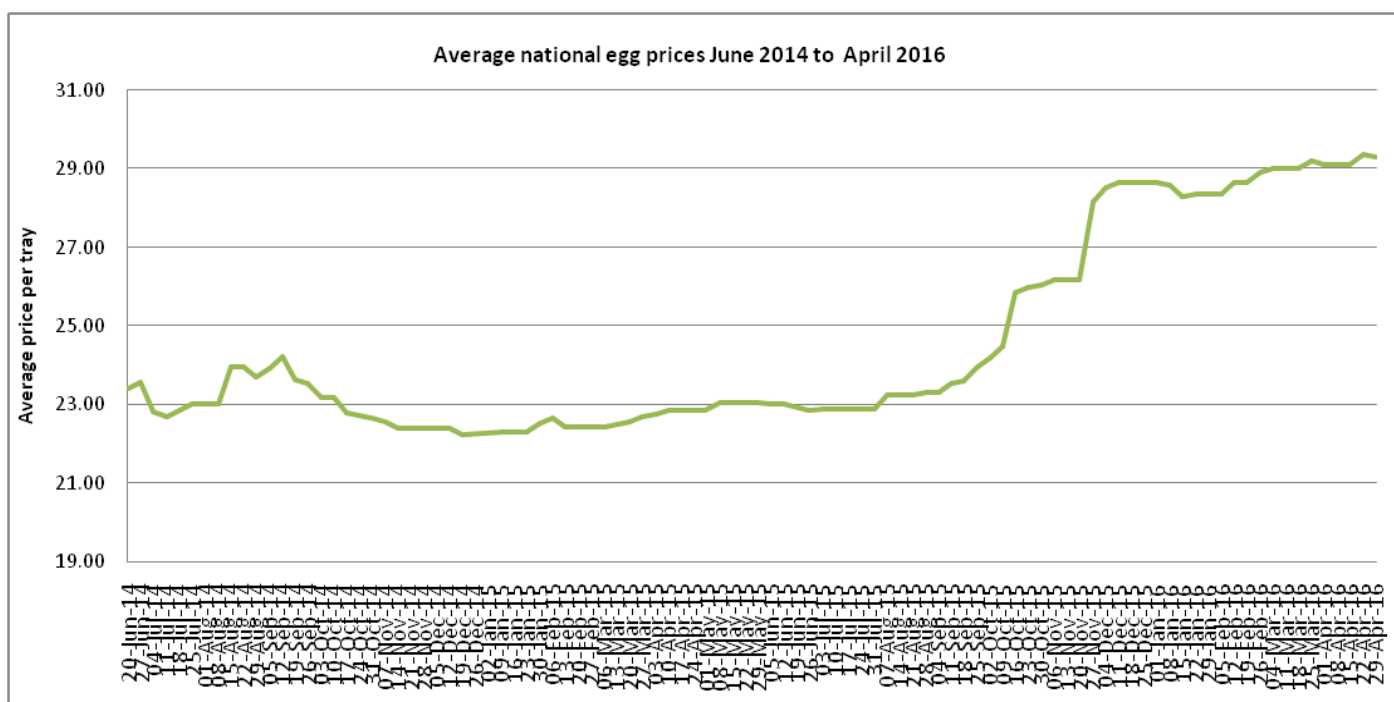


The graph below shows average retail prices of table eggs in selected towns around the country. The average price for a tray of eggs in Chingola declined by 3% from ZMW29 to ZMW28 during the course of the week. Further the graph shows that the highest average price for a tray of eggs is ZMW32.



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 a slight decline in the national average price for a tray of eggs to ZMW29.31.



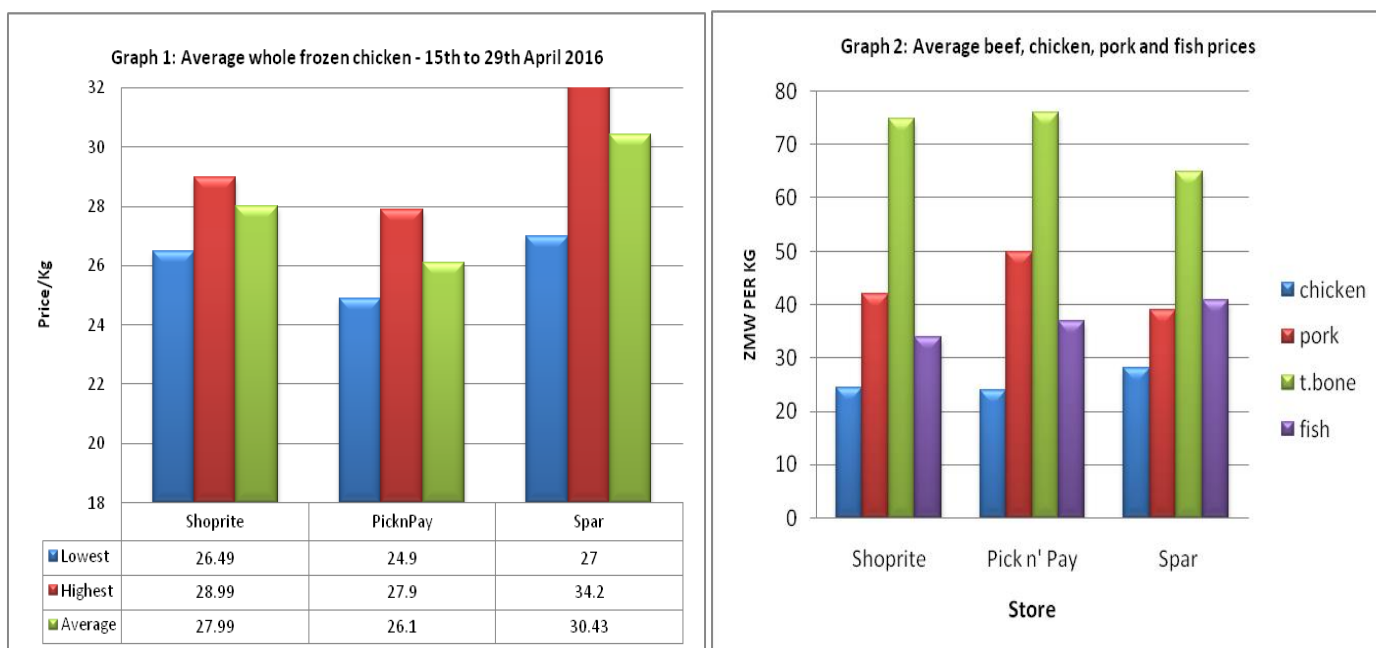
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AVERAGE WHOLE DRESSED CHICKEN PRICES

Graph 1 shows average prices of whole frozen chickens in the three chain stores around Lusaka. Pick n' Pay maintained 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. Spar also maintained the highest average price at ZMW30.43 with the lowest and highest going for ZMW27 and ZMW34.20 respectively. On the other hand, the average price for frozen whole chicken in Shoprite was ZMW27.99 with the lowest going for ZMW26.49 and the highest going for ZMW29.99. Meanwhile the average price for fresh whole chickens in the stores mentioned was K30.50 per kilogram.

Graph 2 compares the average price of frozen whole chicken to the average price of pork, tbone and fish in the three chain stores in Lusaka.



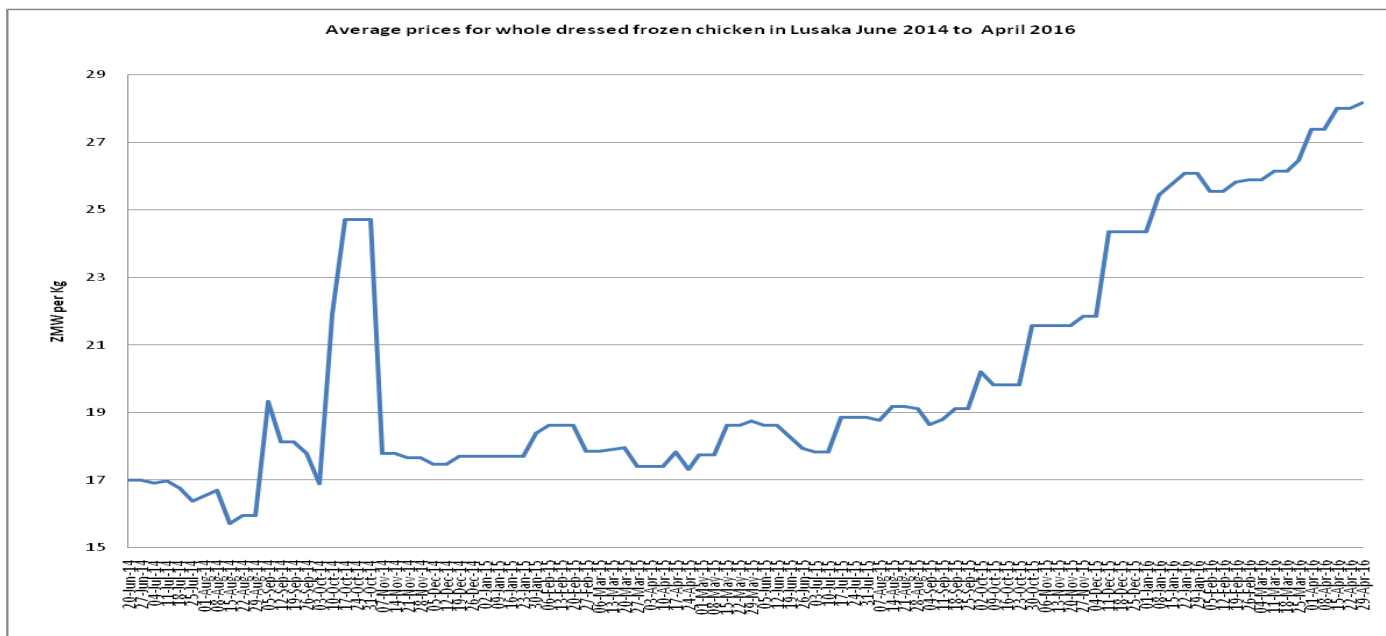
Source: Poultry Association of Zambia

Source: Poultry Association of Zambia

The graph below shows the average price trend for whole frozen chicken in Lusaka from June 2014 – April 2016. The average price of frozen whole chicken in Lusaka during the course of the week was ZMW28.17 which is 59% up from the average price of ZMW17.5 during a similar period of 2015.

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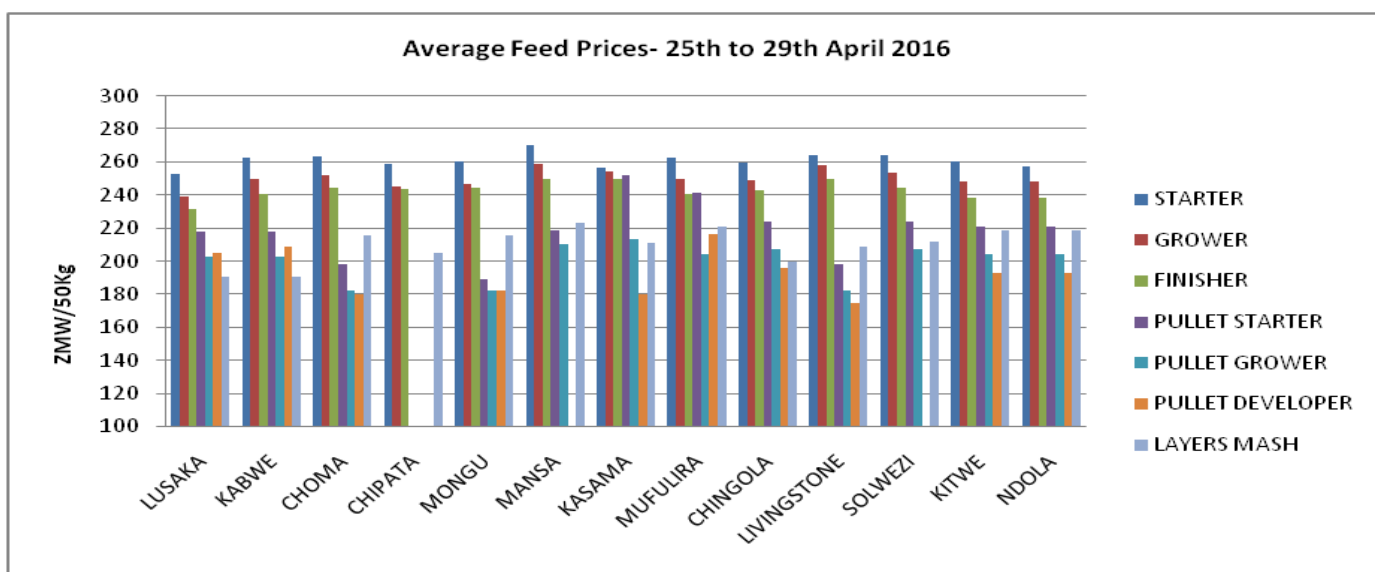




Source: Poultry Association of Zambia

AVERAGE FEED PRICES

The graph below shows average feed prices in selected towns. During the course of the week, there were some downward price adjustments in the price for feed in some towns. This has been brought about by the stability of the Kwacha and subsequently its appreciation over the past few weeks. This reduces the price of dollar sensitive inputs such as Soya which was costing K337.89 per 50kg bag during the course of the week.

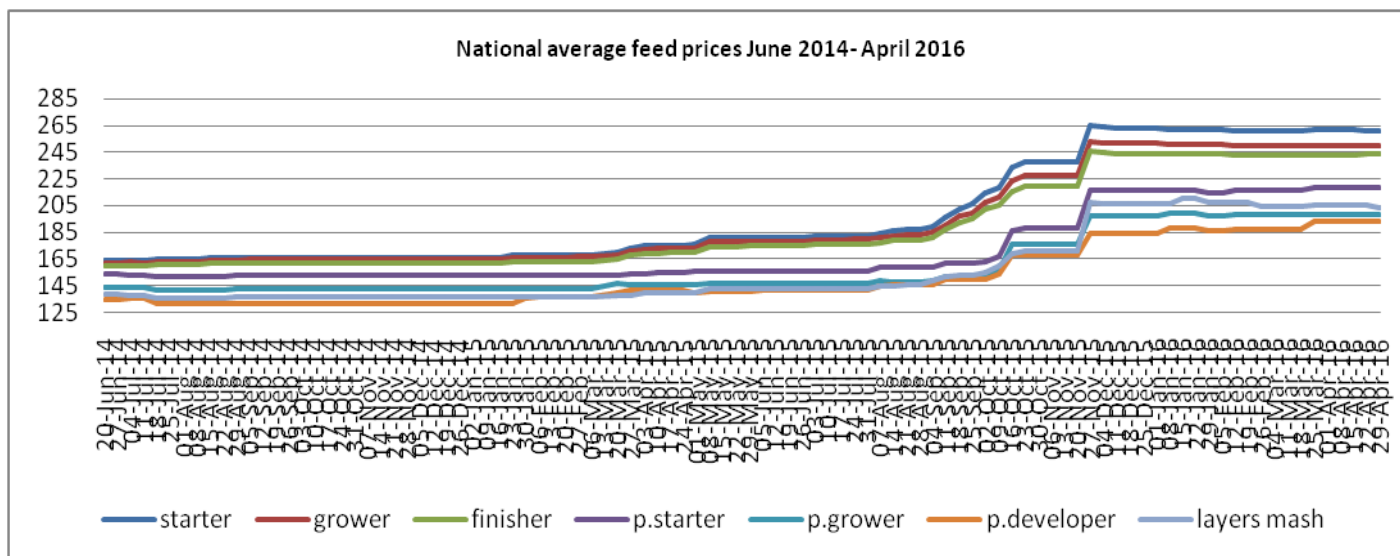


Source: Poultry Association of Zambia

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The graph below shows the national average price trend of feed from June 2014 to April 2016. The graph shows a slight decline in the average price of some feeds. This has been brought about by the recent appreciation of the Kwacha against the dollar making some of the feed ingredients that are traded in US\$ less costly.



Source: Poultry Association of Zambia

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

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