



THE WEEKLY AGRO WATCH



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22nd August, 2016 Vol.3. No.34



In this week's issue:

- ❖ *FRA purchases trickle in*
- ❖ *Oil prices rally upwards*
- ❖ *Kwacha slightly gains*
- ❖ *National average maize price tilts downwards*

Announcements

FOR SALE: GALIGNANI CR23 GRASS BALER



The baler is offered in running condition at the York farm- Kashima Farm along Mumbwa Road. Limited spares go with the unit. The sale is on "as is where is" basis.



If interested, please contact Mr. Belly Mainza the Farm Manager on +260977 4717 08 for more details and viewing.

Exchange Rates

CURRENCY	22/08/2016						15/08/2016					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
FNB	9.77	9.96	0.72	0.73	12.79	13.05	10.40	10.60	0.78	0.79	13.45	13.72
Standard Chartered Bank	9.83	10.02	0.73	0.74	12.82	13.08	10.43	10.63	0.78	0.79	13.48	13.75
ZANACO	9.81	9.99	0.72	0.73	12.79	13.03	10.40	10.60	0.77	0.79	13.45	13.71
Bank of Zambia	9.86	9.90	0.725	0.729	12.92	12.97	10.42	10.46	0.780	0.784	13.41	13.48

Parity Prices

Domestic Import Parity Prices as at 23/08/2016					
US\$/ZAR=13.61 US\$/ZMW=9.97					
Parity Prices		U\$/ZMW	Maize	Soya	Wheat
Lusaka		9.97	478.95	643.69	480
Town	Ex-Lusaka freight (ZMW)	\$	\$	\$	\$
Chipata	275	27.58	506.53	671.27	507.58
Mkushi	225	22.57	501.52	666.26	502.57
Ndola	250	25.08	504.03	668.77	505.08
Kitwe	250	25.08	504.03	668.77	505.08

Note: Import parity based on September delivery

Export Parity Price Ranges (EPP) Harare-Lusaka as at 23/08/16	
Soya Beans	456.7-495.75
Wheat	330-349.5
Maize	261.7-320

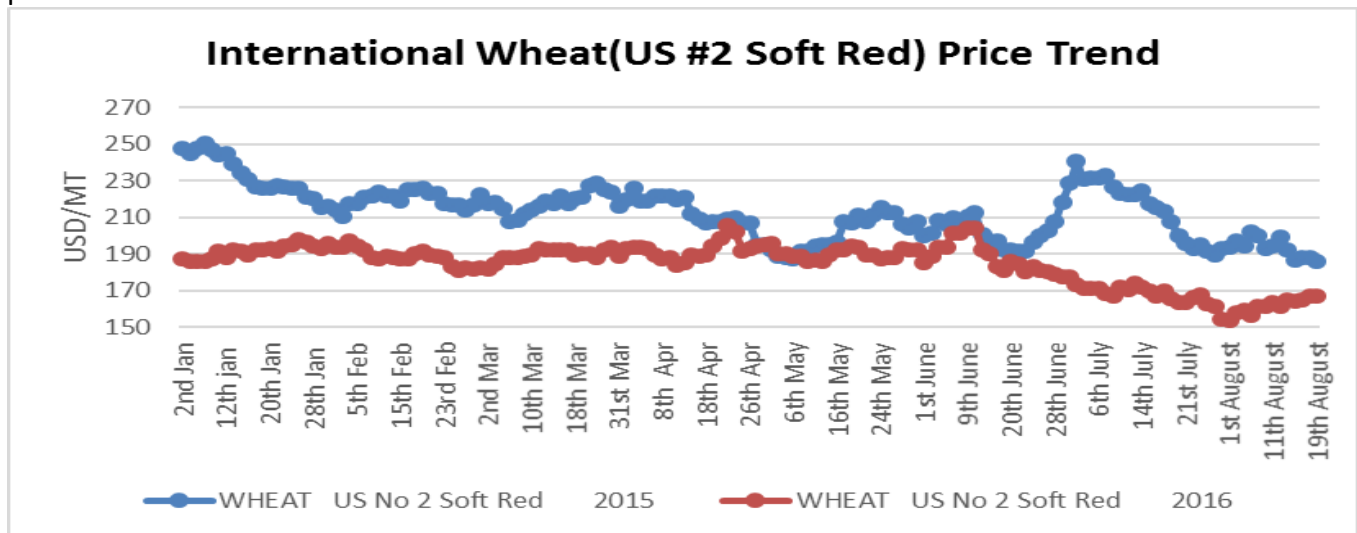
Wheat

Highlights

- While France weeps over its mixed quality wheat, UK's wheat quality being harvested so far seems to meet its quality specifications. The UK has so far harvested about 40% of its wheat crop. The black sea region is however still a preferred source for importers due to its competitive pricing. Some market players are however concerned on the likelihood of supply delays that may result from many countries depending on Russia for their wheat.
- Soft red wheat for December delivery on the Chicago Mercantile Exchange (CME) opened trading at US\$163.3/MT on 22nd August 2016.
- Local wheat offer prices for the 2016 crop are about US\$370/ton.

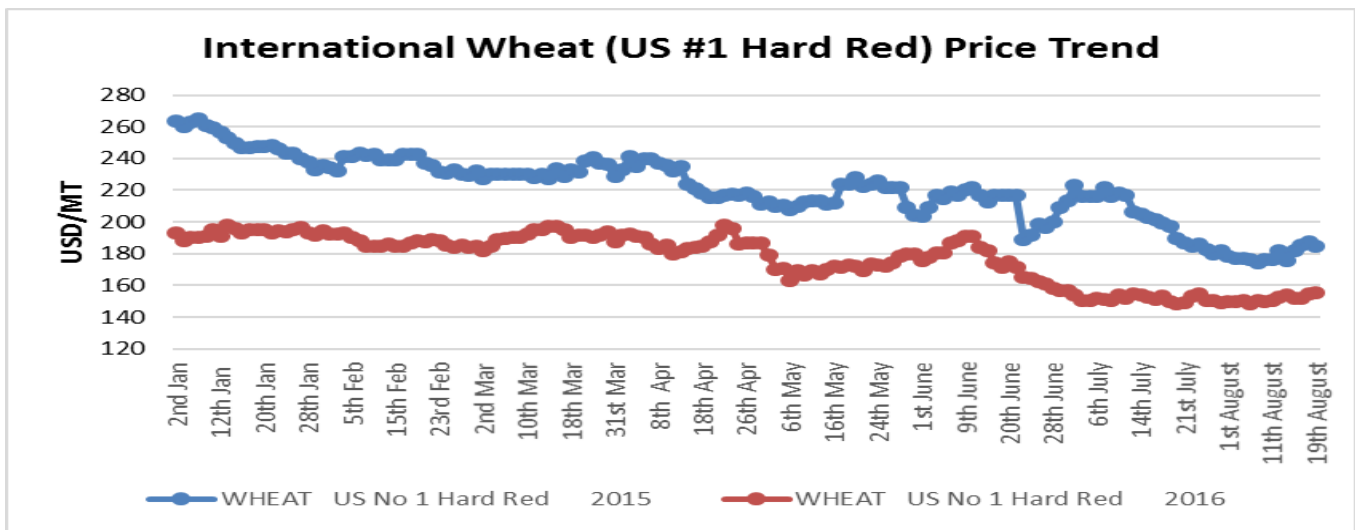
Price trends

The Safex international soft red and hard red wheat prices averaged US\$153.66 /MT and US\$ 165.42/MT during the week ending 19th August 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

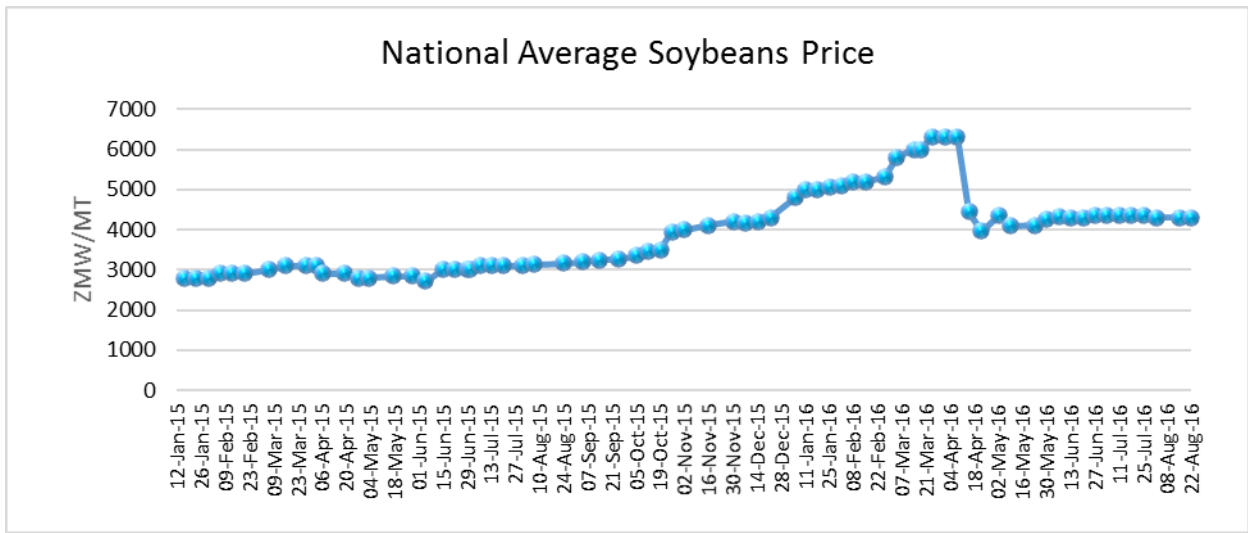
Soya Beans

Highlights

- Despite the US expecting a good soy crop, the Chinese seemingly insatiable soya beans demand is expected to sustain international soya beans prices for the rest of 2016. Soya beans uses in China range from cooking oil processing, making of tofu and livestock feed manufacturing to meet the rising meat demand by the growing Chinese middle class.
- Soy beans for November delivery opened trading on CME at US\$367.8/MT on 22nd August 2016.
- According to the ZNFU market Price Information System, average national offer prices were in the range of ZMW 3,000 – 5,000/MT with an average of ZMW4,286MT last week as shown in the graph below;

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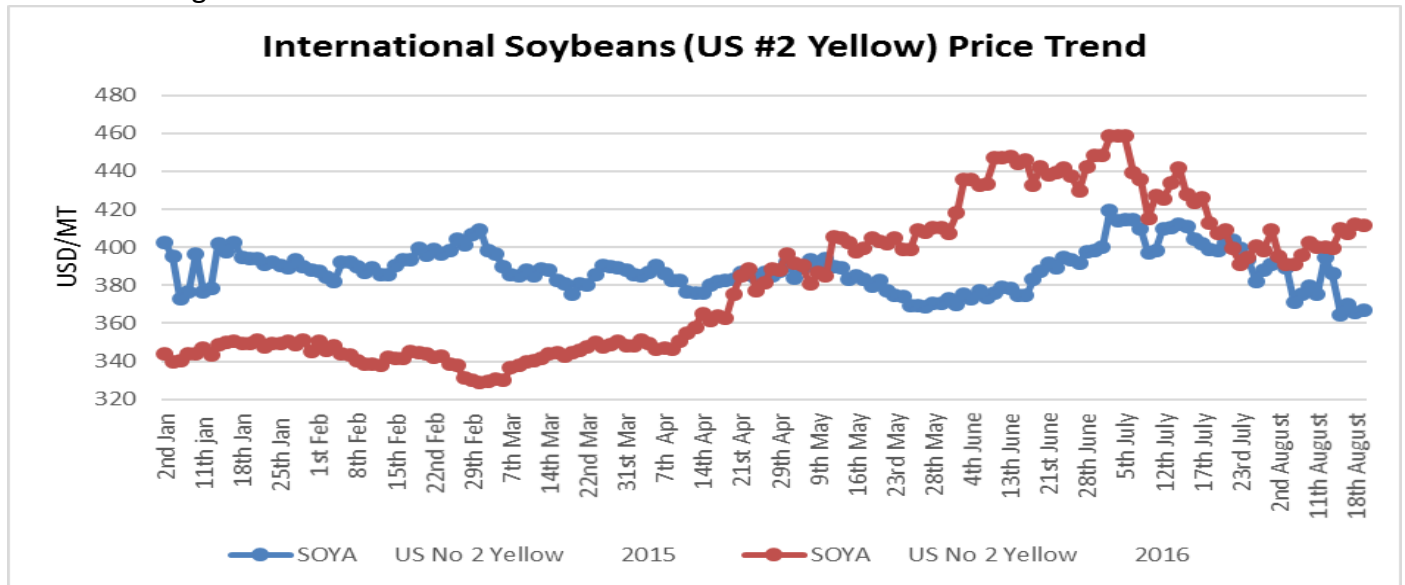




Source: ZNFU, 4455 Market Price Information System

Price trends

International spot prices for US No. 2 yellow soya beans on Safex averaged US\$408.01/MT in the week ending 19th August 2016, 2.1% above the average price of US\$399.63/MT recorded in the previous week. Prices are fob gulf.



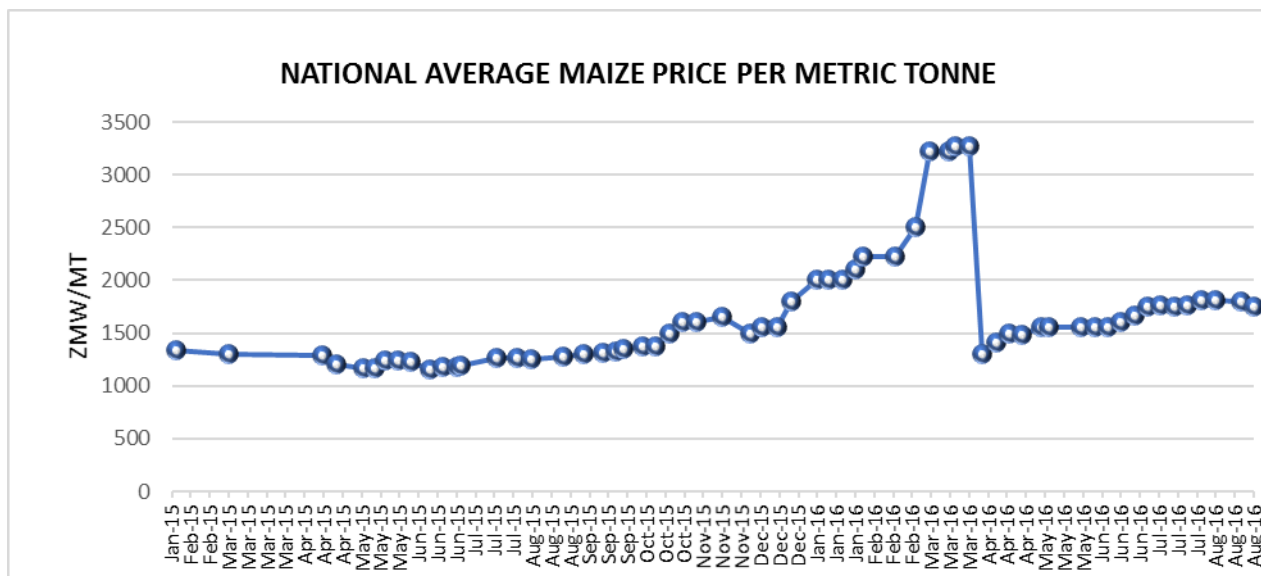
Source: Safex

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Highlights

- Wholesale maize prices in Gitega, Burundi and Kisumu, Kenya were pegged at US\$454.59/ton and US\$351.18/ton respectively on 22nd August 2016. Meanwhile, prices in Arusha, Tanzania were about US\$233.34/ton. This is as captured by the East African Grain Council intelligence network (RATIN).
- Maize for December delivery opened trading on CME at US\$135.11/MT on 22nd August 2016.
- Maize purchases by the Food Reserve Agency (FRA) have been progressing slowly. By last week, the agency had purchased about 193,923MT from the time it begun its purchases around Mid- July 2016. Meanwhile, FRA had bought over 500,000MT within the first month of beginning its purchases last marketing season.
- The national average local maize offer price by private traders was averaging K 1,752/ton on the ZNFU market information system. Indications are that some traders have managed to meet their purchase targets and hence the slight drop in the national average price. Another possible contributing factor could be the political uncertainties in the country.



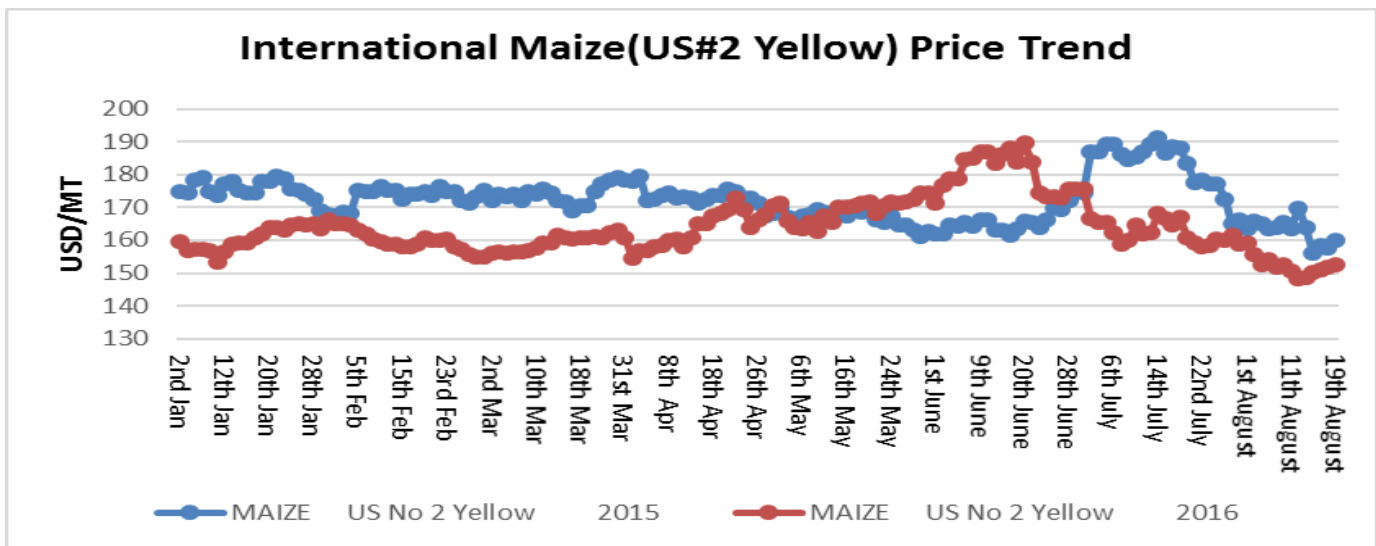
Source: ZNFU, 4455 Market Price Information System

Price trends

International maize spot prices traded at an average of US\$ 150.82/ MT during the week ending 19th August 2016. All prices are fob gulf.

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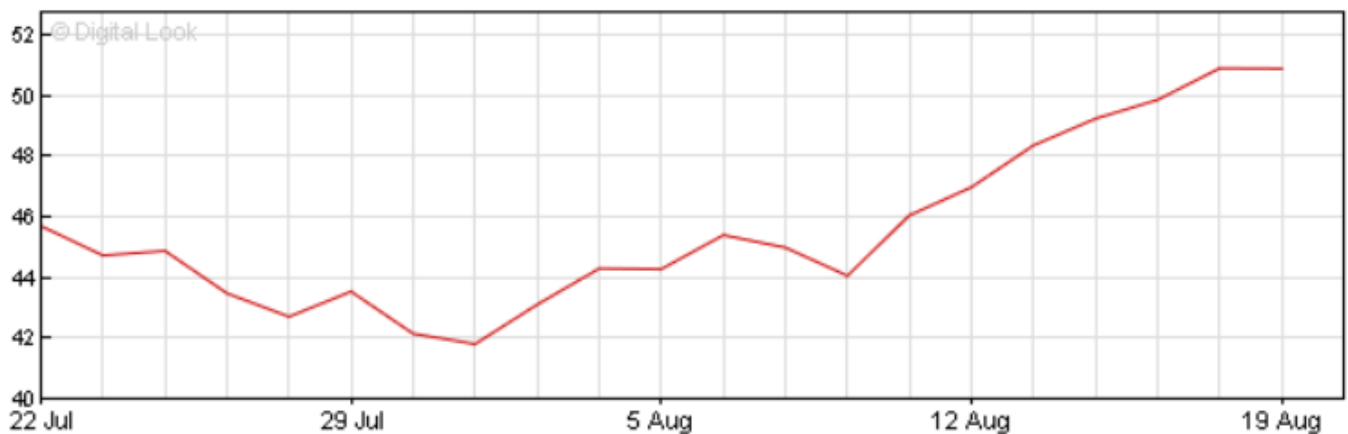


Source: Safex

Crude oil

- The upward rally in crude oil prices last week has left markets betwixt on whether this rise will be sustained. The rise is partly attributed to a soar in China's July 2016 export figures of diesel and gasoline as well as reduced oil rigs. Meanwhile OPEC and some other oil producers are set to meet next month and resume their discussions on a possible production freeze.
- Brent crude oil futures prices around 14:45hrs CAT on 22nd August 2016 were pegged at US\$49.54/barrel.
- The Dubai Mercantile exchange Oman crude oil marker price for October 2016 delivery settled at US\$47.92/barrel on 19th August 2016, above the 12th August settlement price of US\$44.33/barrel.

Brent Crude Oil Futures \$/barrel



Source: BBC, 2016.

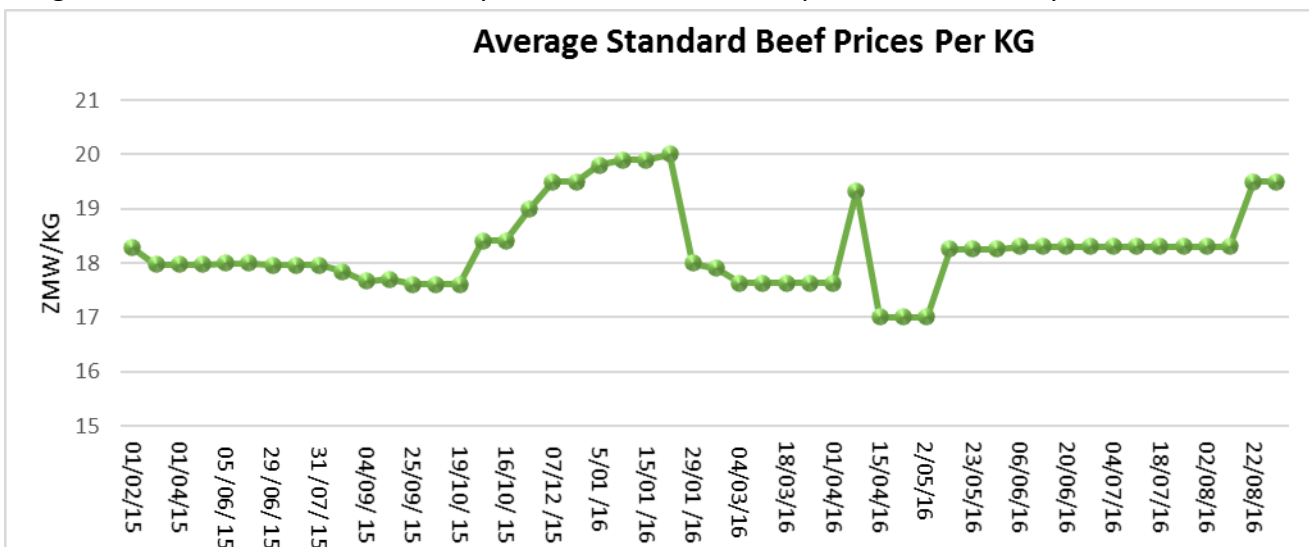
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Beef

Highlights

- The effect of the drought due to the recent El Nino are expected to linger on in South Africa's livestock sector with the increased slaughtering due to drought expected to impact production for the next three to four years. Livestock prices are therefore anticipated to be high. This came to light during the launch of South Africa's latest annual baseline produced by the Bureau for Food and Agricultural Policy (BFAP) last week.
- The price of grain fed beef carcasses on the South African market rose from about ZAR33.85/Kg in June 2015 to ZAR38.05/Kg in June 2016 as captured by the South African Feedlot Association. During the week ending 14th August 2016, prices were hovering around ZAR 37/94Kg whilst live animals were being sold for about ZAR22.22/Kg.
- Namibian Grade A beef prices for the week ending 15th August 2016 were in the range of ZAR30.02-36/Kg. Auction prices for weaners and heifers were pegged at ZAR16.69/kg and ZAR14.39/kg respectively on 12th August 2016. This is according to the Namibian Meat Board.
- On the Zambian scene, dressed weight beef prices averaged to ZMW19.5/kg during the week ending 19th August 2016. This is as monitored by the ZNFU 4455 market price information system.



Source: ZNFU, 4455 Market Price Information System

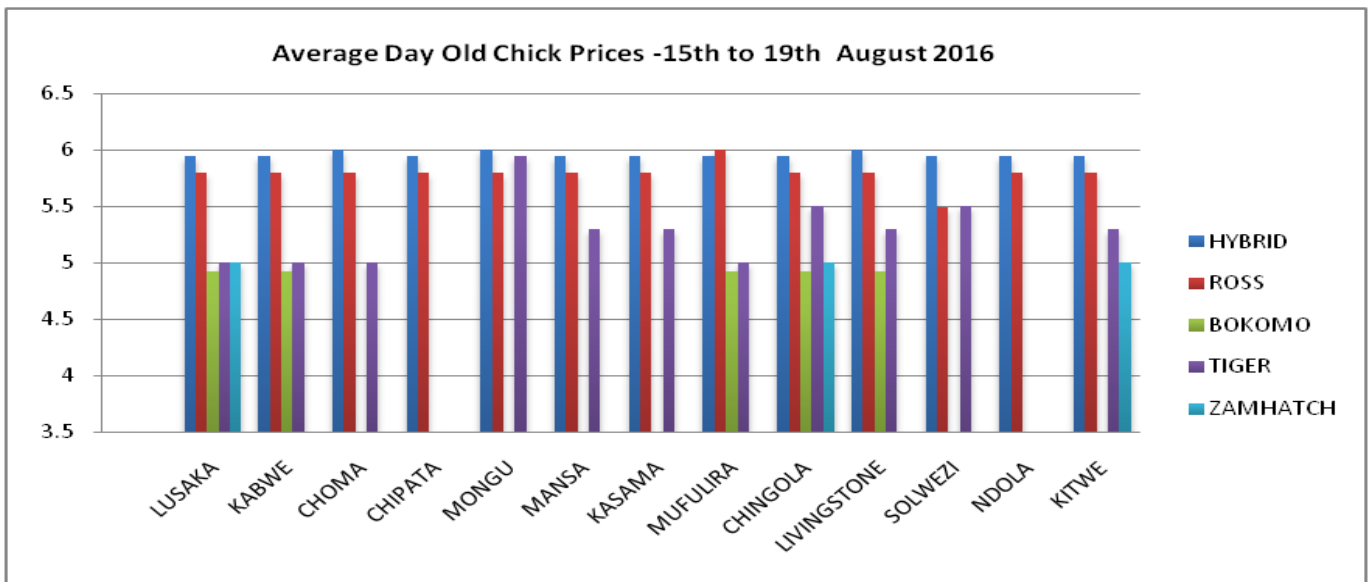
Poultry Updates for the Week Ending 19th August 2016

Average Day Old Chick Prices

The graph below shows the price of different breeds of day old chicks in selected towns. Prices of day old chicks were static during the course of the week with no changes registered in the towns displayed.

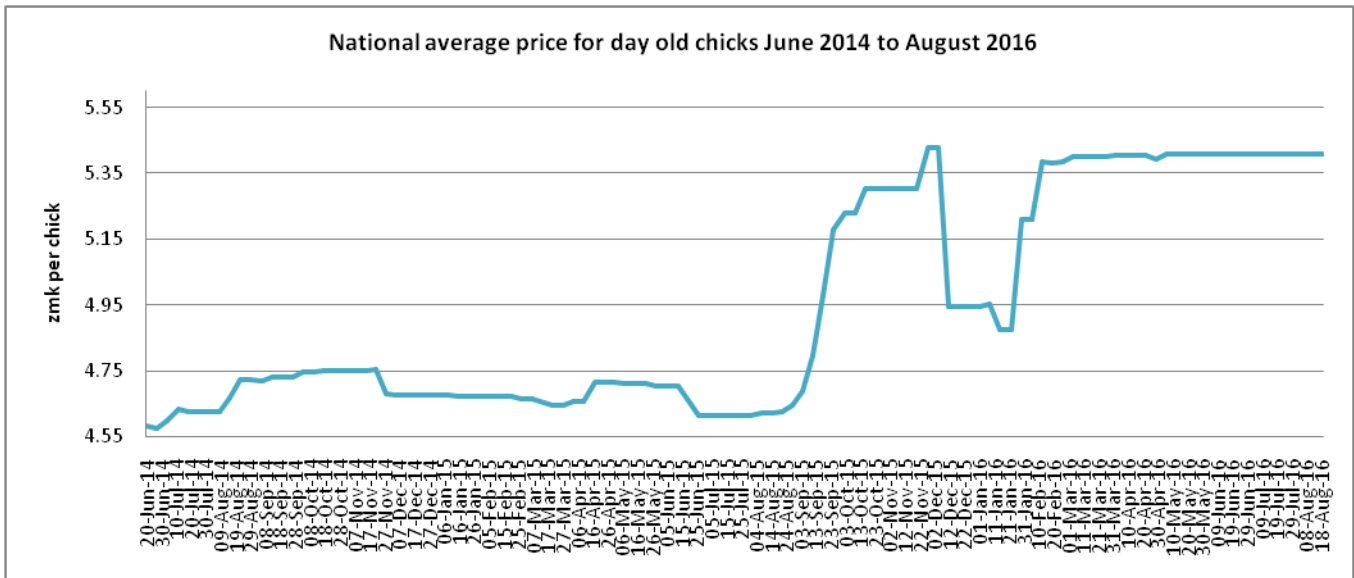
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Source: Poultry Association of Zambia

The graph below shows the national average price trend for day old chicks from June 2014 to August 2016. The graph shows that the national average price of day old chicks has remained at ZMW5.41 the past few months.



Source: Poultry Association of Zambia

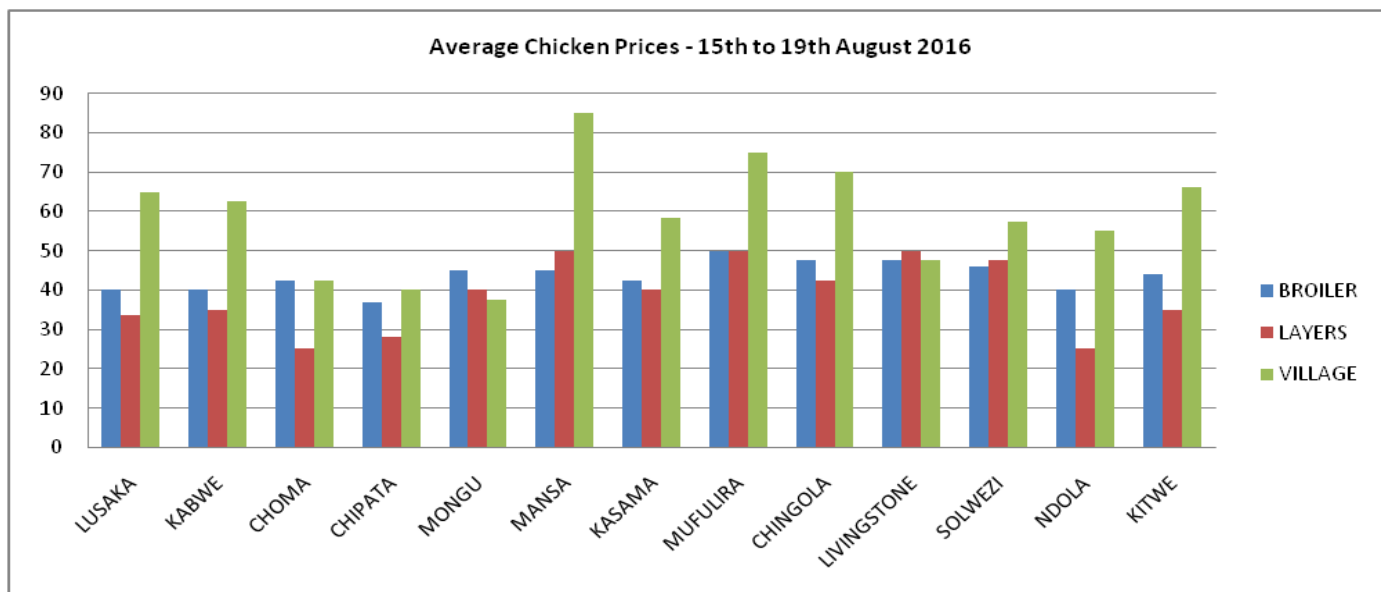
Average Live Birds Prices

The graph below shows the average live bird prices in Lusaka, Choma, Kabwe, Chipata, Mongu, Mansa, Mufulira, Chingola, Solwezi, Ndola, Kitwe and Livingstone. Broiler live bird prices have remained stable in most towns with consumers continuing to resist upward adjustments in the price of the live birds. During

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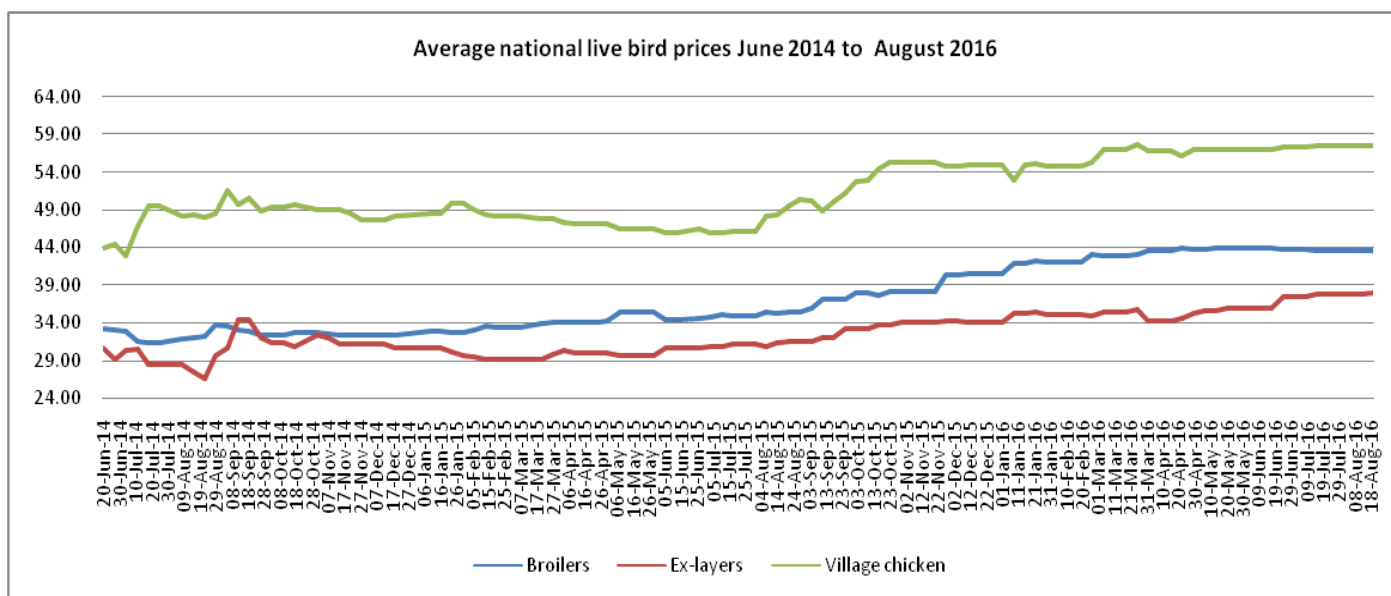


the course of the week, the farm gate prices of broiler live birds were ranging between ZMW38 and ZMW40 per bird.



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, ZMW37.43 and ZMW57.40 per bird respectively.



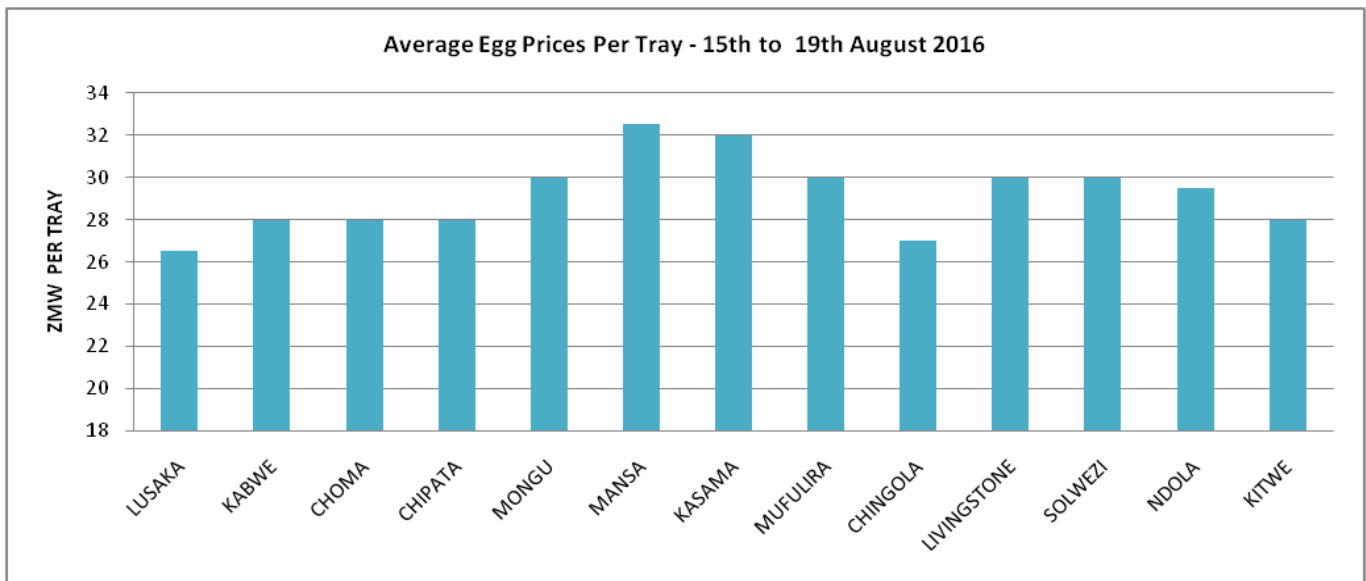
Source: Poultry Association of Zambia

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Average Egg Prices

The graph below shows average retail prices of table eggs in selected towns around the country. In Chingola, the average price of a tray of eggs declined by 6.9% from ZMW29 to ZMW27. Meanwhile farm gate prices of eggs in Lusaka were ranging between ZMW23 to ZMW25 per tray.

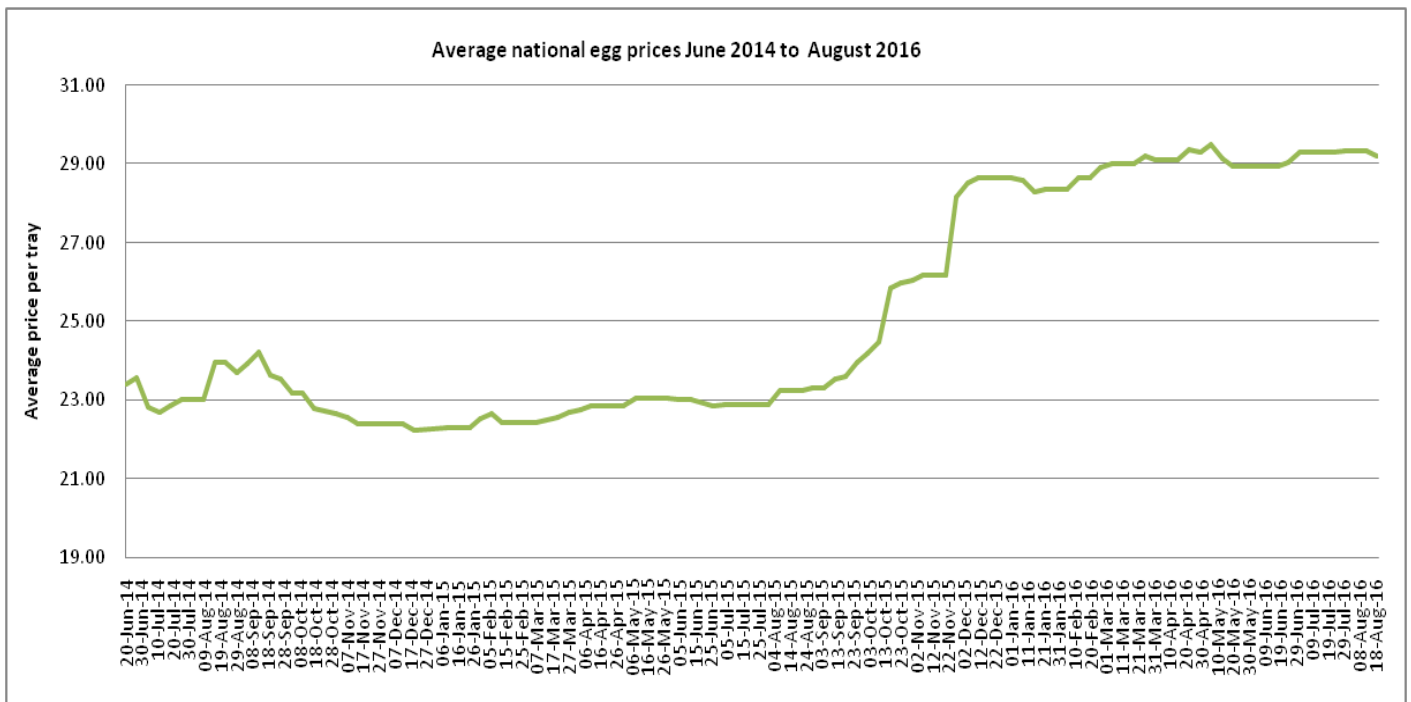


Source: Poultry Association of Zambia

The graph below shows the price trend for a tray of eggs from mid-June 2014 to August 2016. The graph shows a decline in the national average price for a tray of eggs to ZMW29.19 per tray.

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Source: Poultry Association of Zambia

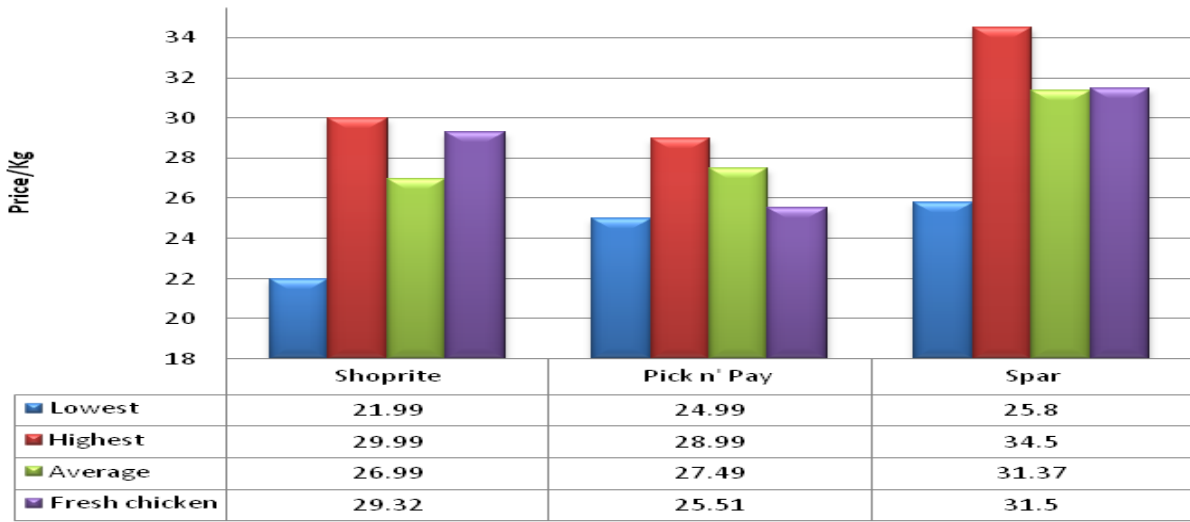
Average Whole Dressed Chicken Prices

Graph 1 shows average prices of whole frozen chickens in three chain stores around Lusaka. The average price of frozen whole chicken in Pick n' Pay during the course of the week was ZMW27.49 per kg with the lowest priced chicken at ZMW24.99 per kg and the highest going for ZMW28.99 per kg. In Spar the average price was at ZMW31.37 per kg with the lowest and highest going for ZMW25.8 per kg and ZMW34.50 per kg respectively. On the other hand, the average price for frozen whole chicken in Shoprite was ZMW26.99 per kg with the lowest going for ZMW21.99 per kg and the highest going for ZMW29.99 per kg. Meanwhile the average price for fresh whole chickens in Shoprite, Pick n Pay and Spar was ZMW29.32, ZMW31.99 and ZMW31.50 per Kg respectively. Prices of frozen whole chicken in Zambeef outlets and Melissa Supermarket were pegged at ZMW21.90 per Kg and ZMW30 per Kg respectively.

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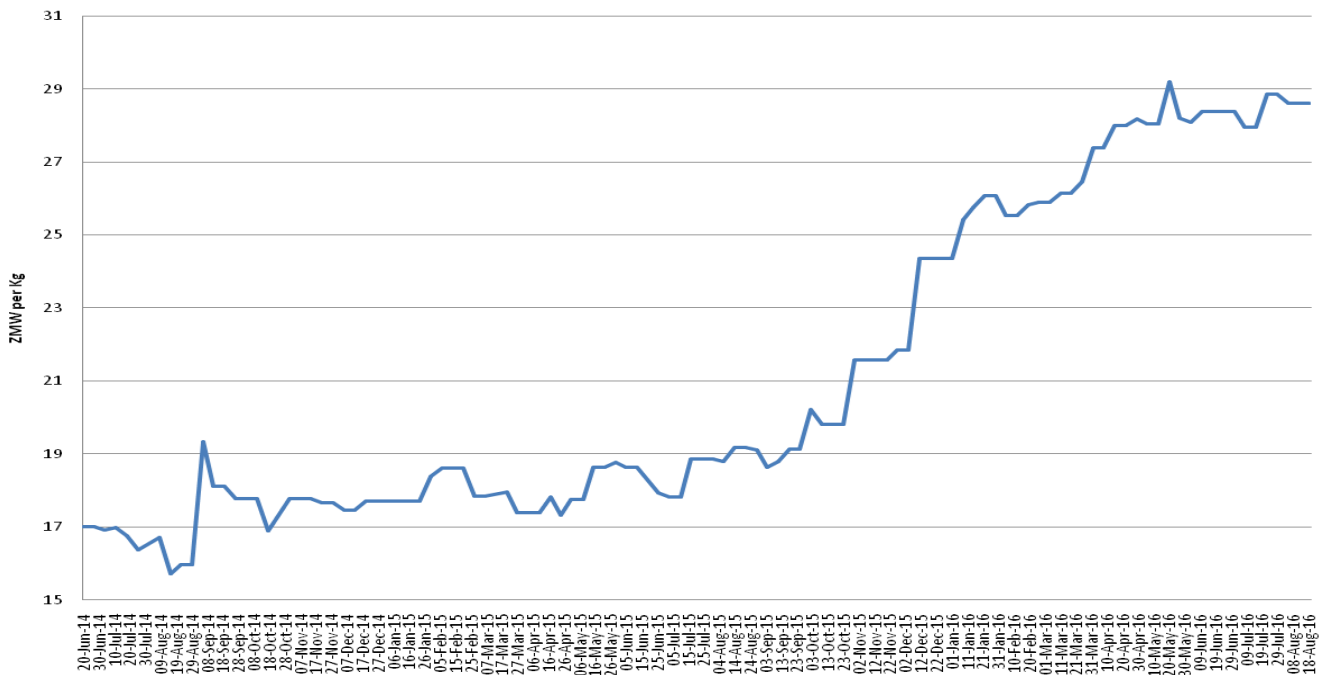
Graph 1: Average whole frozen chicken - 15th to 19th August 2016



Source: Poultry Association of Zambia

The graph below shows the average price trend for whole frozen chicken in Lusaka from June 2014 – August 2016. The average price for frozen whole chickens was ZMW28.62 per kilogram during the course of the week.

Average prices for whole dressed frozen chicken in Lusaka June 2014 to August 2016



Source: Poultry Association of Zambia

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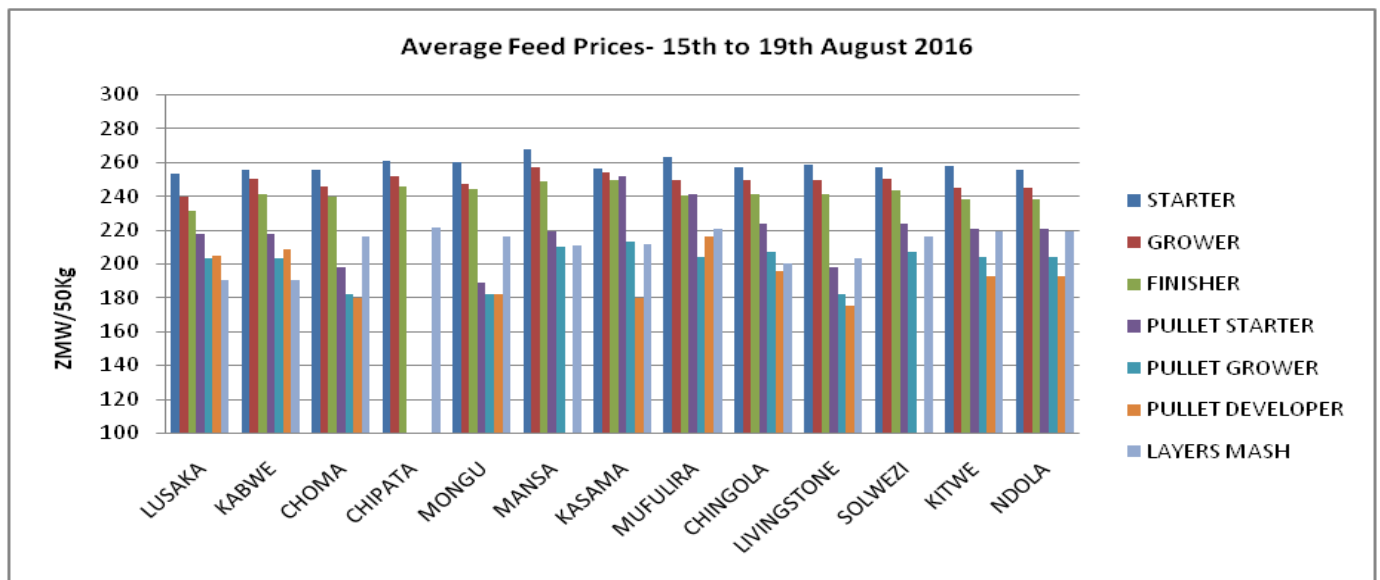


AVERAGE FEED PRICES

The graph below shows the price of some of the most important ingredients that are used in feed production per 50 kilogram bag.

	SOYA MEAL FULL FAT	SOYA MEAL	SOYA MEAL SOLVENT EXTR	N0.3 MEAL	FISHMEAL
PRICE (ZMW/50kg)	331.70	333.31	340.02	49.50	547.92

The graph below shows average feed prices in selected towns. Some towns experienced a reduction in the average price of stock feeds during the course of the week leading to slight relief to some of the farmers.



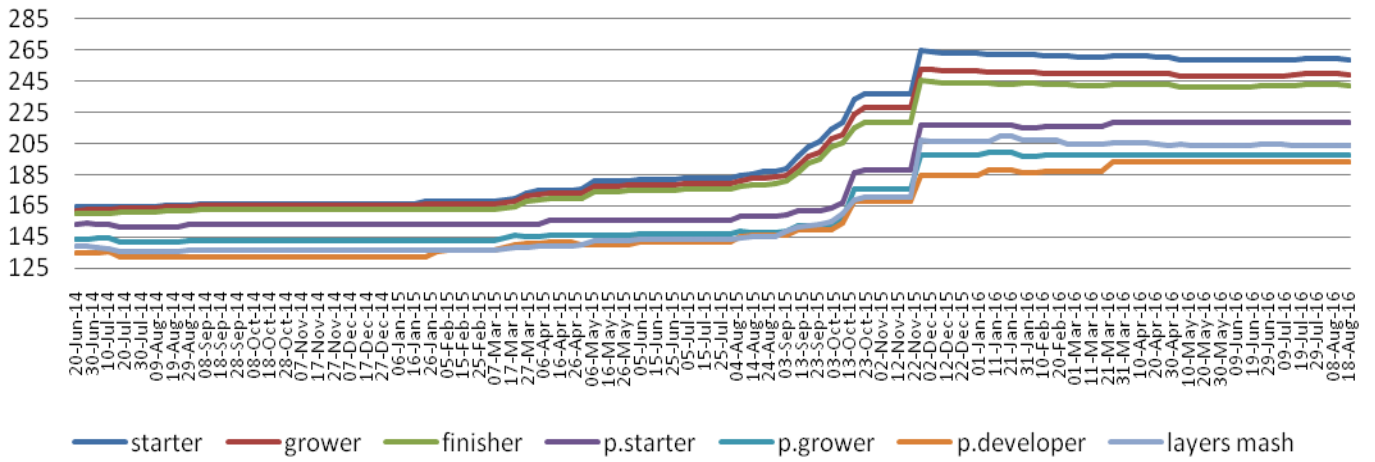
Source: Poultry Association of Zambia

The graph below shows the national average price trend of feed from June 2014 to August 2016. The graph shows a slight decrease in the national average price of stock feeds especially broiler stock feeds.

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National average feed prices June 2014 - August 2016



Source: Poultry Association of Zambia

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