



THE WEEKLY AGRO WATCH



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In this week's issue:

- ❖ *International Agric. Commodity Prices on downhill.*
- ❖ *EU lowers wheat production forecast*
- ❖ *Russia-Saudi agree to stabilise oil prices*
- ❖ *Local soya beans trading slows*

Exchange Rates

CURRENCY	05/09/2016						30/08/2016 (29/08/16)					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
FNB	9.78	9.97	0.68	0.70	13.02	13.28	9.58	9.77	0.67	0.68	12.52	12.77
Standard Chartered Bank	9.77	9.96	0.68	0.70	13.05	13.31	9.56	9.75	0.66	0.68	12.50	12.75
ZANACO	9.67	9.86	0.67	0.68	12.88	13.12	9.58	9.77	0.66	0.68	12.53	12.67
Bank of Zambia	9.79	9.84	0.681	0.685	13.04	13.10	9.70	9.74	0.667	0.713	12.68	12.74

Parity Prices

Domestic Import Parity Prices as at 02/09/2016					
US\$/ZAR=14.62 US\$/ZMW=9.97					
Parity Prices		U\$/ZMW	Maize	Soya	Wheat
Lusaka		9.97	434.28	619.67	445.66
Town	Ex-Lusaka freight (ZMW)	\$	\$	\$	\$
Chipata	275	27.58	461.86	647.25	473.24
Mkushi	225	22.57	456.85	642.24	468.23
Ndola	250	25.08	459.36	644.75	470.74
Kitwe	250	25.08	459.36	644.75	470.74

Note: Import parity based on October delivery

Export Parity Price Ranges (EPP) Harare-Lusaka as at 19/08/16	
Soya Beans	456.7-495.7
Wheat	330
Maize	261.7-320

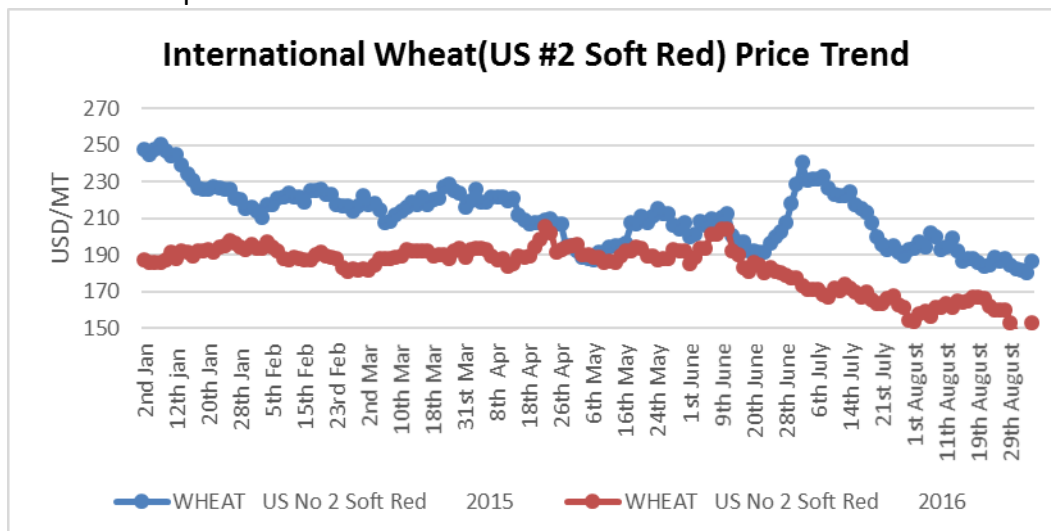
Wheat

Highlights

- The European Union has cut down its soft wheat production forecast to 145.96 million tons from the 2016 production estimate of 152.79 million tons. The block has also estimated a reduction in its 2015/16 wheat and wheat flour exports giving leeway to the Black Sea region to reinforce its current exporting muscle.
- Meanwhile the International Grain Council has revised upwards its 2016/17 global wheat production estimate to 743 million tons. International wheat prices are therefore expected to continue on a low note for the rest of 2016.
- Soft red wheat for December delivery on the Chicago Mercantile Exchange (CME) settled at US\$137.05/MT on 4th September 2016.
- Local wheat offer prices for the 2016 crop are about US\$370/ton.

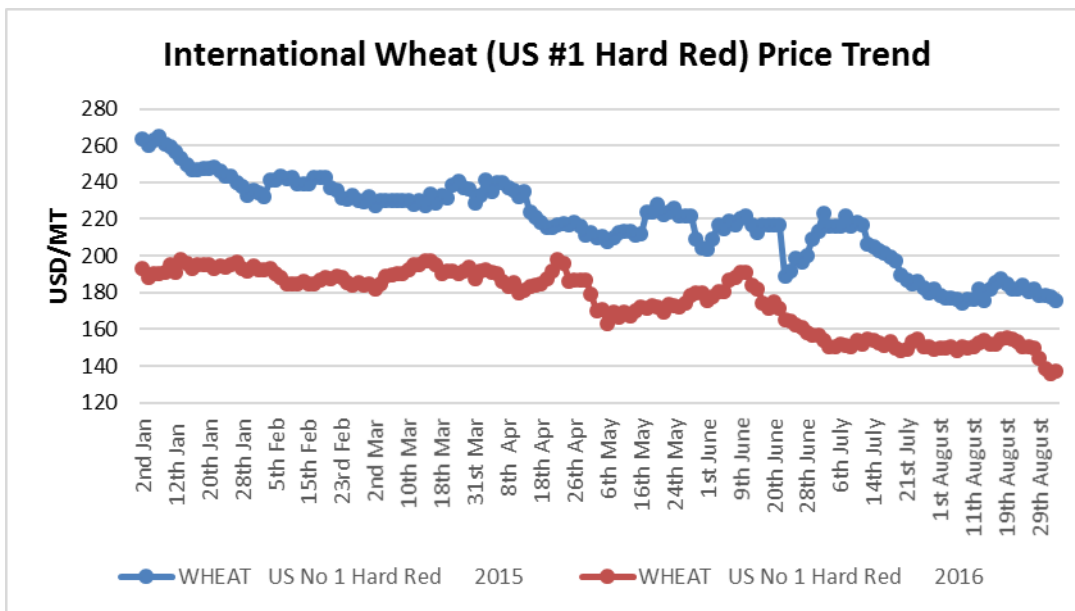
Price trends

The Safex international soft red and hard red wheat prices averaged US\$139.27 /MT and US\$ 148.92/MT during the week ending 2nd September 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

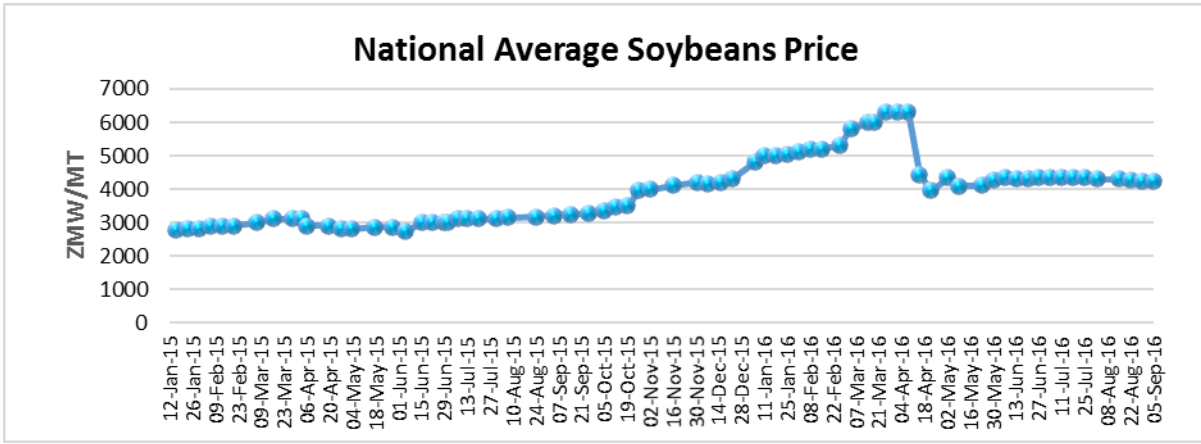
Highlights

- India's soya beans crop for the 2016/17 season which begins in October 2016 has been pegged at 1.5 million tons about 63% above the previous year's production. The country's import demand for soy oil is expected to rise to the highest levels in the last decade while its soymeal exports decline to historic lows of 450,000MT. This is according to the USDA global Agricultural Information Network August 2016 report on India's oilseeds and their products.
- On the local scene, the reduced soymeal export markets have led to a reduced demand of soya beans by Zambian crushers leaving traders with stockpiles of the commodity. Zimbabwe, Zambia's major market for soy meal has turned southwards to South Africa for its soymeal needs. Zambia's Soya beans grains however still has high demand from Zimbabwe.
- Soy beans for November delivery closed trading on CME at US\$349.95/MT on 4th September 2016.

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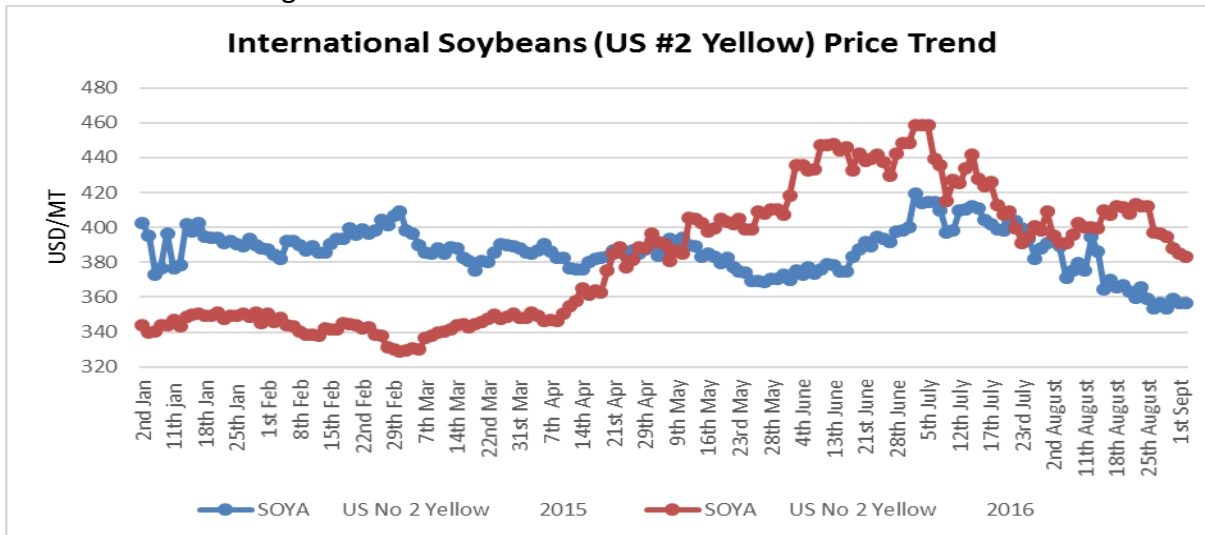
- According to the ZNFU market Price Information System, average national soya beans offer prices were averaging ZMW4,246MT last week as shown in the graph below.



Source: ZNFU, 4455 Market Price Information System

Price trends

International spot prices for US No. 2 yellow soya beans on Safex averaged US\$389.40/MT in the week ending 2nd September 2016, 4.66% below the average price of US\$408.46/MT recorded in the previous week. Prices are fob gulf.



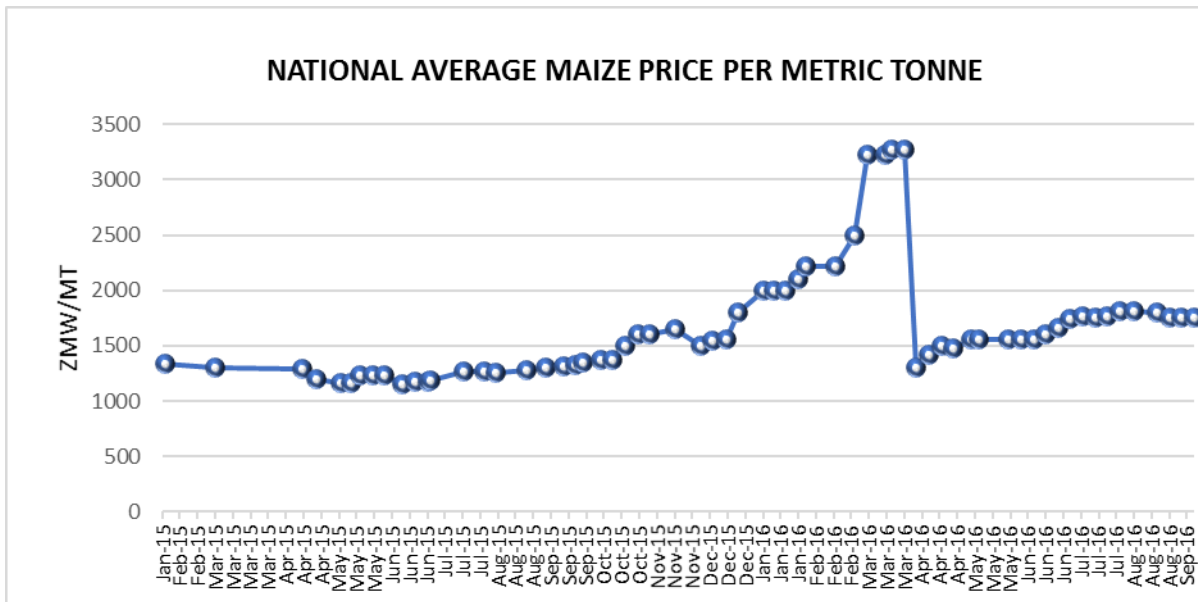
Source: Safex

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Highlights

- South Africa’s maize exports into the region between 1st May 2016 and end of August totalled 167,337MT, above last year’s total exports of 137,146MT over the same period. Maize demand in the regional market has continued to be high with Zimbabwe delivered prices averaging about US\$360/ton.
- Wholesale maize prices in Gitega, Burundi and Kisumu, Kenya were pegged at US\$453.62/ton and US\$351.8/ton respectively on 5th September 2016. Meanwhile, prices in Dar es Salaam, Tanzania were about US\$350.72/ton. This is as captured by the East African Grain Council intelligence network (RATIN).
- Maize for December delivery on CME settled at US\$124.56/MT on 4th September 2016.
- The national average local maize offer price by private traders was averaging K 1,751/ton on the ZNFU market information system.



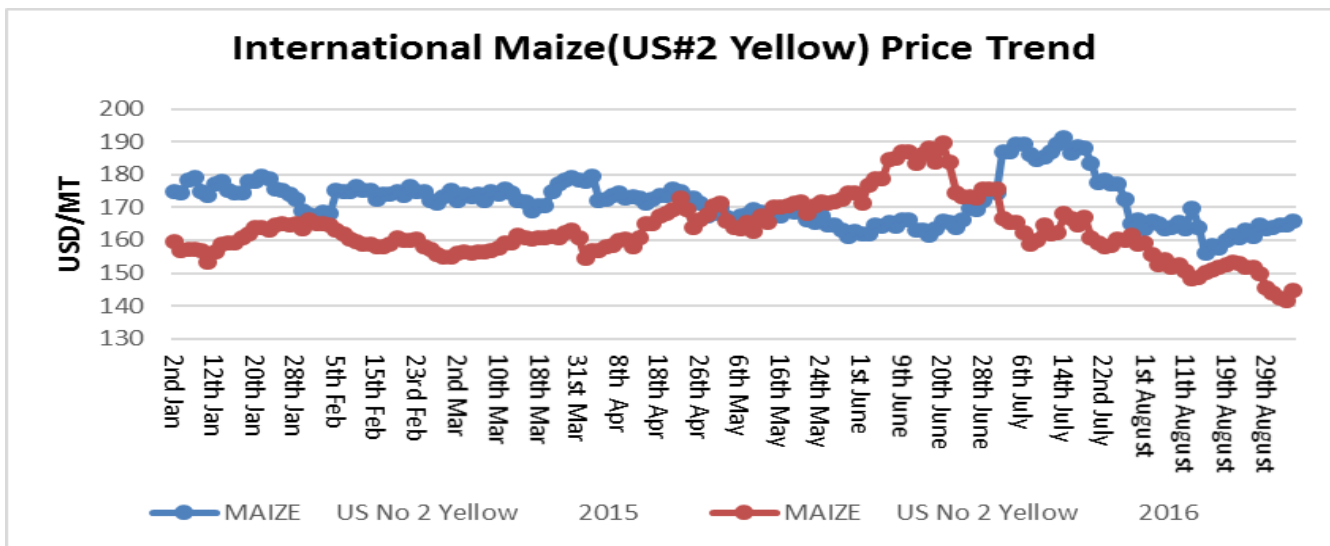
Source: ZNFU, 4455 Market Price Information System

Price trends

International maize spot prices traded at an average of US\$ 143.69 / MT during the week ending 2nd September 2016. All prices are fob gulf.

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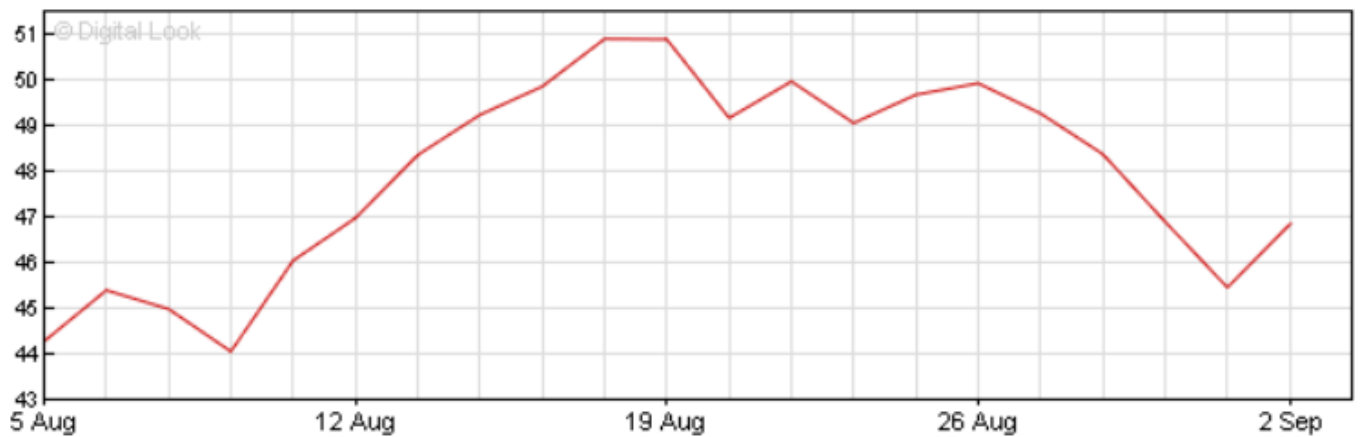


Source: Safex

Crude oil

- International crude oil prices spiked on Monday 5th September 2016 on news that Russia and Saudi Arabia had agreed to cooperate in stabilizing oil prices. This was revealed in a joint statement released by the two oil producing giants after a G20 summit in China.
- Brent crude oil futures prices around 15:00hrs CAT on 5th September 2016 were pegged at US\$47.53/barrel.
- The Dubai Mercantile exchange Oman crude oil marker price for November 2016 delivery settled at US\$43.17/barrel on 29th August 2016, above the closing price for October deliveries of US\$45.06/barrel recorded at the end of August.

Brent Crude Oil Futures \$/barrel



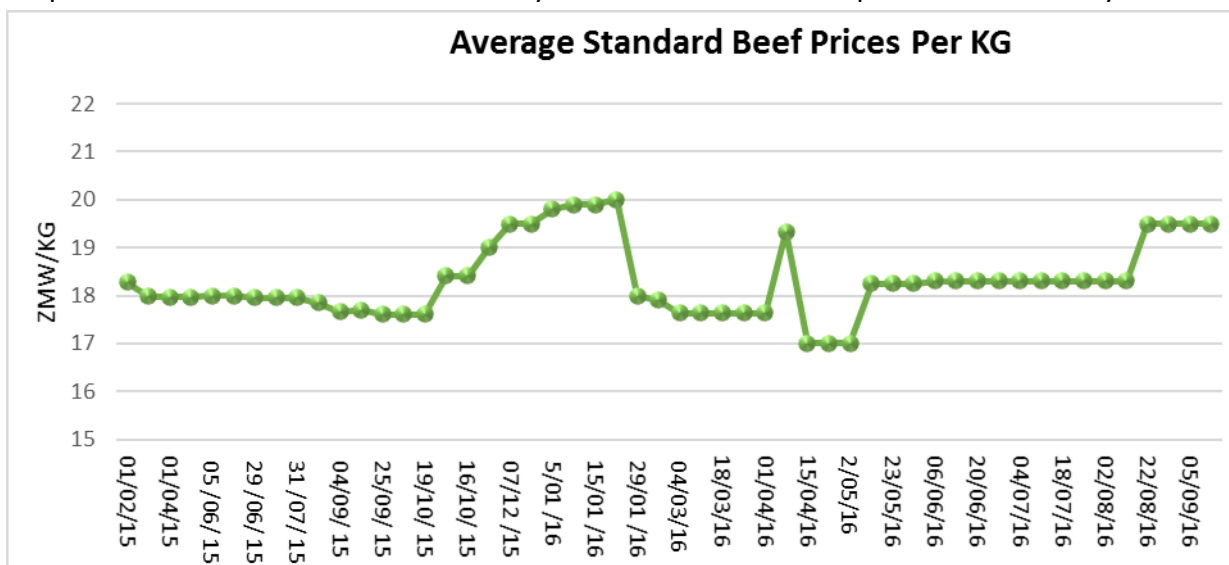
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Beef

Highlights

- The Namibian farming community has been elated by the new South African less stringent import conditions for cattle, sheep and goats. According to a communique released by Namibia’s Ministry of Agriculture on 31st August 2016, the new procedures do not require compulsory Brucella and double TB testing.
- Namibian Grade A beef prices for the week ending 29th August 2016 were in the range of ZAR30.06-36/Kg. Auction prices for weaners and heifers were pegged at ZAR15.75/kg and ZAR13.24/kg respectively on 25th August 2016. This is according to the Namibian Meat Board.
- On the Zambian scene, dressed weight beef prices averaged ZMW19.5/kg during the week ending 2nd September 2016. This is as monitored by the ZNFU 4455 market price information system.



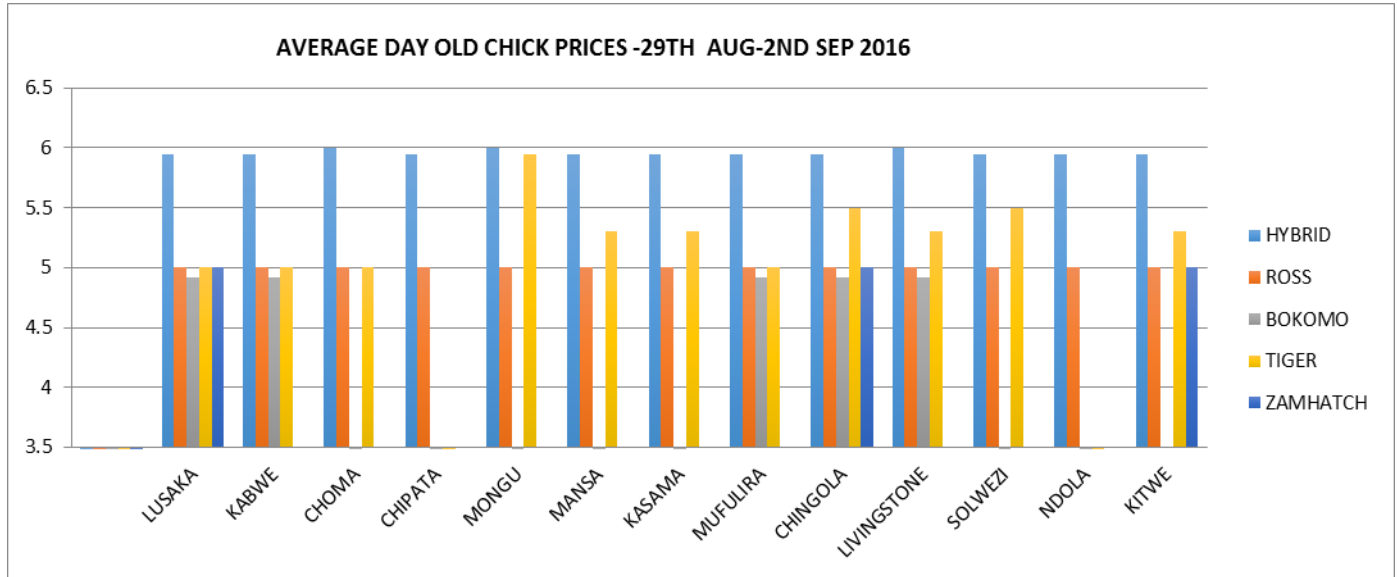
Source: ZNFU, 4455 Market Price Information System

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Average Day Old Chick Prices at District Level

The graph is an outline of the prices for the day old chicks being supplied by different hatcheries trading under different names.



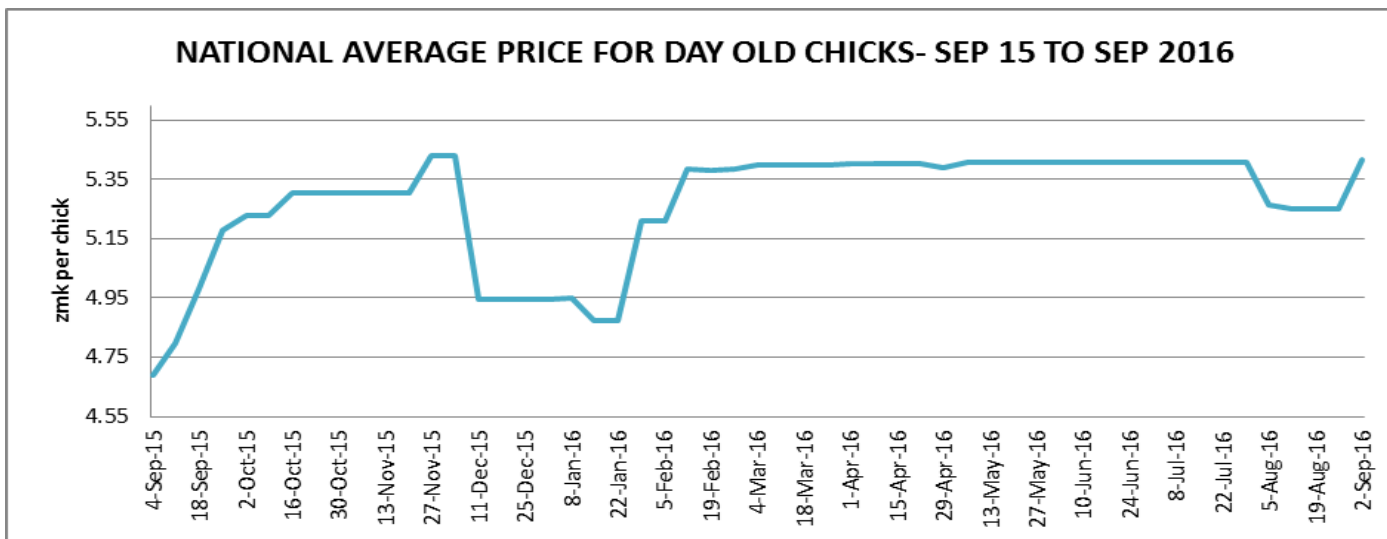
Source: Poultry Association of Zambia

National Average Day Old Prices

The graph below shows the national average price trend for day old chicks from September 2015 to September 2016. The graph shows that the national average price of day old chicks has remained at ZMW5.41 for over four months. As the season heads towards the peak period, poultry farmers, especially small-scale are being urged to plan their placement programmes in advance and ensure that proper biosecurity programme is adhered to. A number of hatcheries and feed millers have started conducting trainings on summer brooding and poultry farmers should take advantage of these trainings to upgrade their skills.

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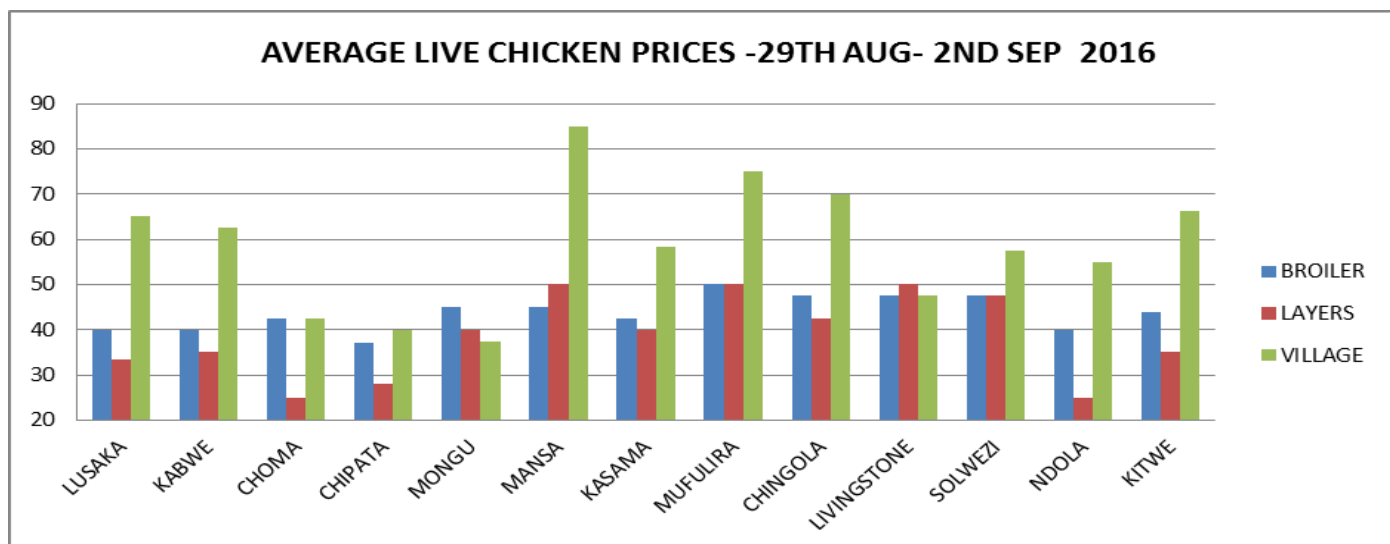




Source: Poultry Association of Zambia

Average Live Birds Prices at District Level

The graph below shows the average live bird prices in different districts. No major movements has been observed in the price of fully grown birds. The farm gate prices of broiler live birds ranges between ZMW38 to ZMW40.



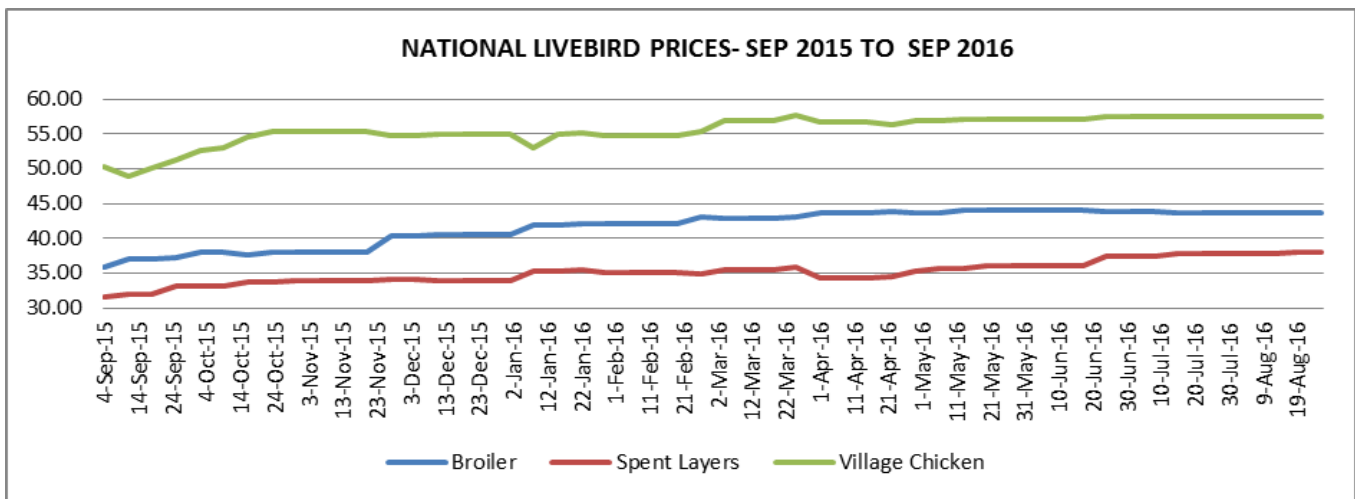
Source: Poultry Association of Zambia

National Average Live Bird Prices

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 ZMW43.73, ZMW37.43 and ZMW57.40 per bird respectively.

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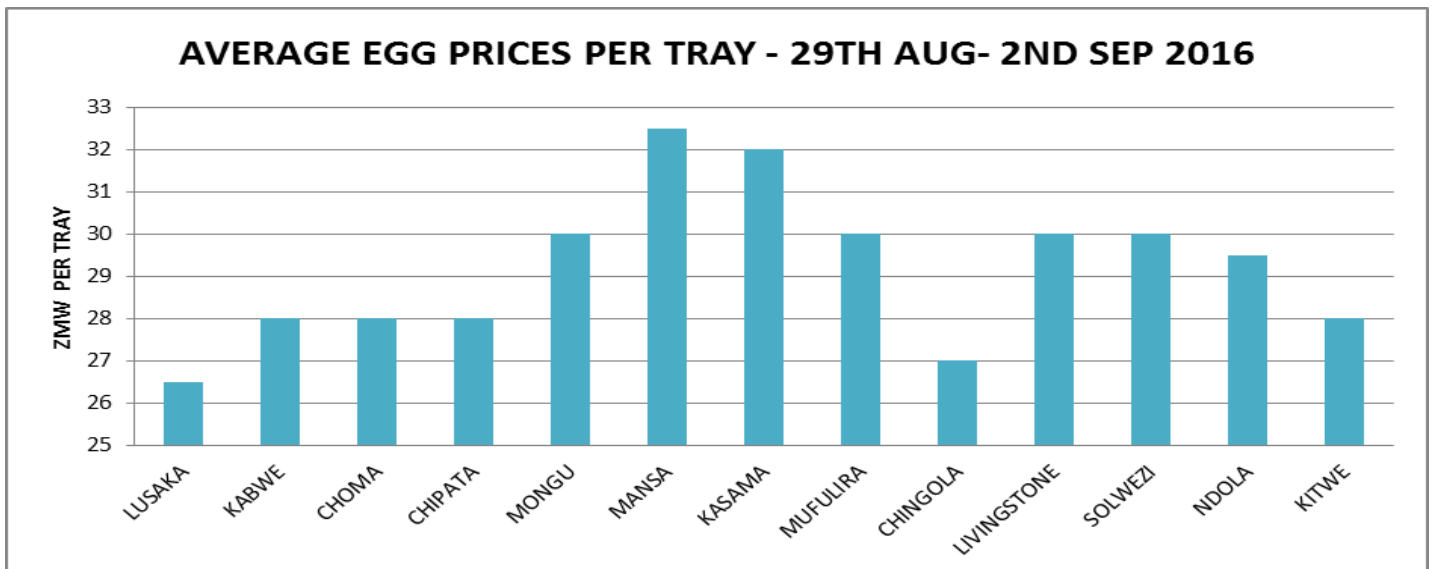




Source: Poultry Association of Zambia

Average Egg Prices at District Level

The graph below shows average retail prices of table eggs in selected towns around the country. Prices were static during the course of the week with farm gate prices ranging between ZMW23 to ZMW25 per tray. As the production heads towards peak production, it is anticipated the price movement might be very flat resulting from oversupply.



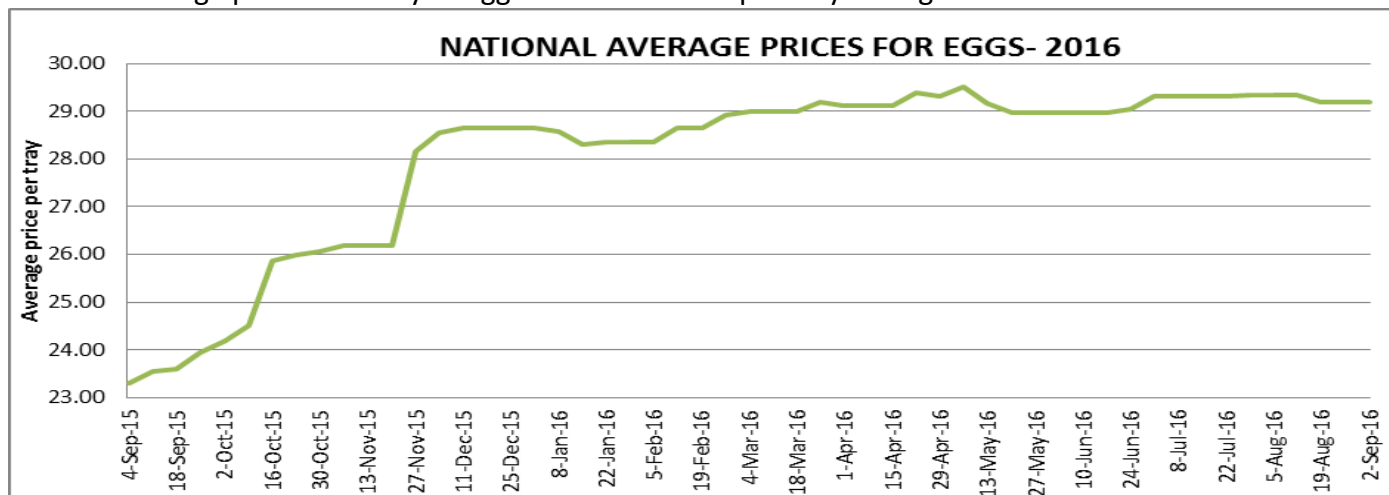
Source: Poultry Association of Zambia

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National Average Egg Prices

The graph below shows the price trend for a tray of eggs from September 2015 to September 2016. The national average price for a tray of eggs was ZMW29.19 per tray during the course of the week.



Source: Poultry Association of Zambia

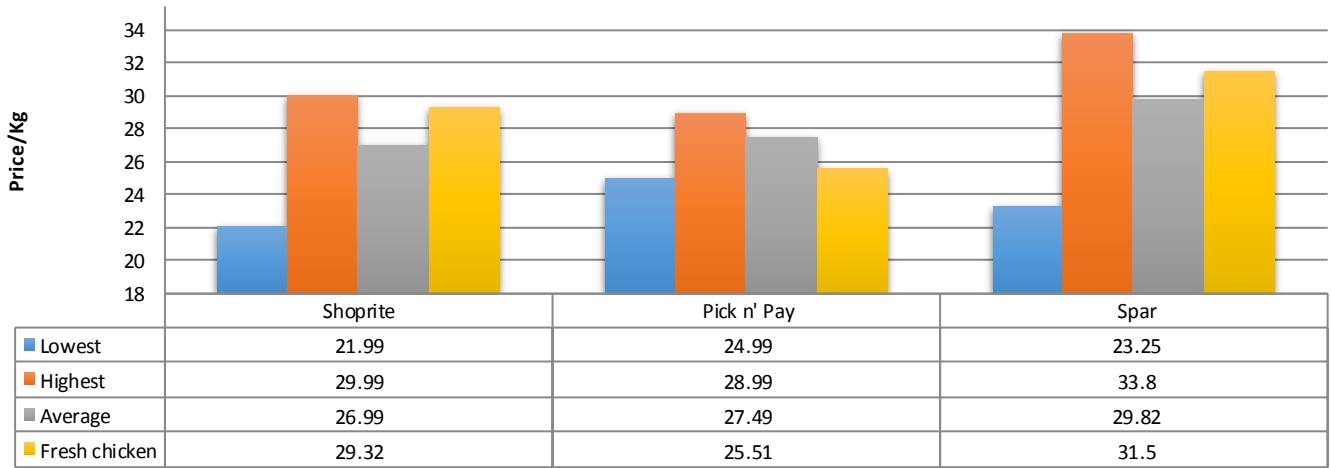
Average Whole Dressed Chicken Prices for Lusaka

Graph 1 shows average prices of whole frozen chickens in some chain stores around Lusaka. The average price for the frozen whole chicken in Pick n’ Pay during the course of the week remained relatively stable averaging ZMW27.49 per kg with the lowest priced chicken at ZMW24.99 per kg and the highest going for ZMW28.99 per kg. The same scenario was observed in SPAR with an average price ranging between ZMW23.25 per kg and ZMW33.80 per kg respectively. On the other hand, the average price for frozen whole chicken in Shoprite was ZMW21.99 per kg and ZMW29.99 per kg. Frozen whole chicken prices in Zambeef outlets were pegged at ZM21.90/Kg and ZMW30/Kg in Melissa Supermarket

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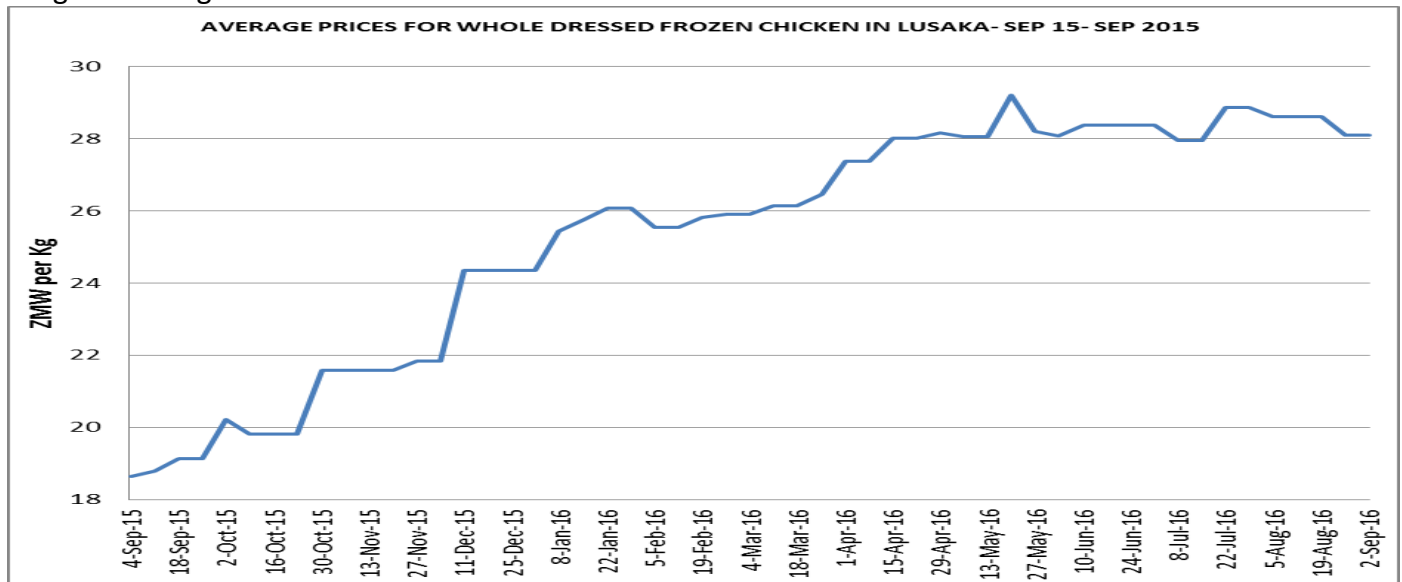


GRAPH 1: AVERAGE WHOLE FROZEN CHICKEN - 29TH AUG- SEP 2016



Source: Poultry Association of Zambia

The graph below shows the average price trend for whole frozen chicken in Lusaka for the period September 2015 – September 2016. The average price for frozen whole chickens was ZMW28.10 per kilogram during the course of the week.



Source: Poultry Association of Zambia

Average Prices of Selected Stockfeed Ingredients

There was no movements in the prices of key ingredients in the stockfeed industry as obtained from livestock services. The graph below shows the price of some of the most important ingredients that are used in feed production per 50 kilogram bag.

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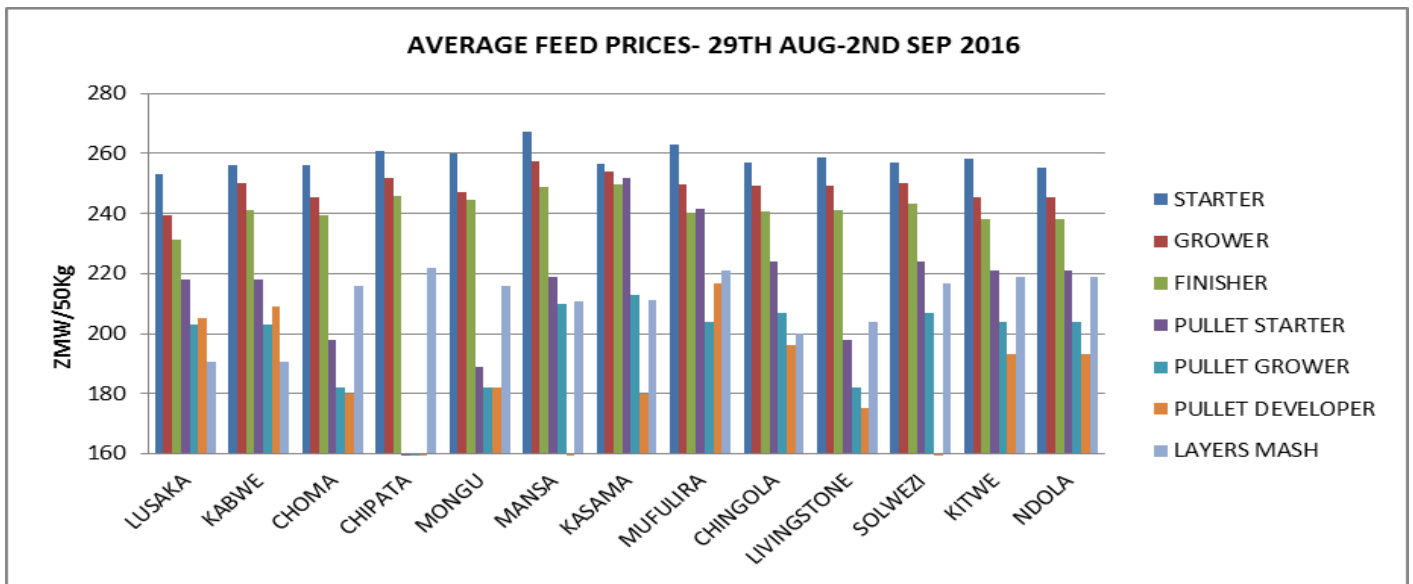


	SOYA MEAL FULL FAT	SOYA MEAL	SOYA MEAL SOLVENT EXTR	NO.3 MEAL	FISHMEAL
ZMW/50kg	331.70	333.31	340.02	49.50	547.92

Source: Poultry Association of Zambia

Average Stockfeed Prices At District Level

The graph below shows average feed prices in selected towns. Stockfeed prices remained stable during the course of the week with no significant changes.



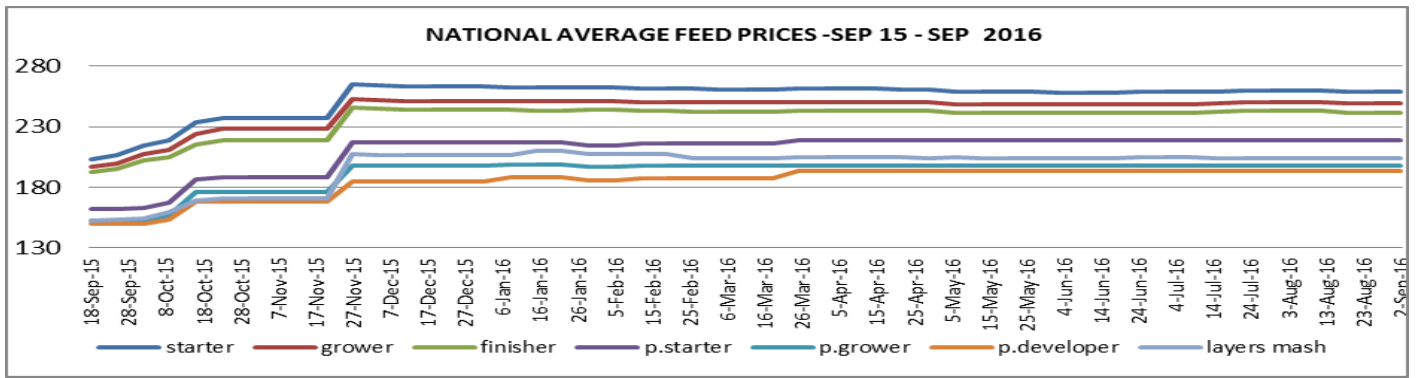
Source: Poultry Association of Zambia

National Average Prices of Stockfeed

The graph below shows the national average price trend of feed from September 2015 to September 2016. The graph shows that national average prices for feed were static during the week.

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Source: Poultry Association of Zambia

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