



THE WEEKLY AGRO WATCH



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6th February, 2017 Vol.4. No.3

Highlights

- Normal to heavy rains forecast in selected parts of the country
- Fall Army Worm (FAW) positively identified from samples collected in the Limpopo province of SA.
- National average Day Old Chicks prices remain unchanged as national average prices for live chicken in the open markets post some gains

Exchange Rates

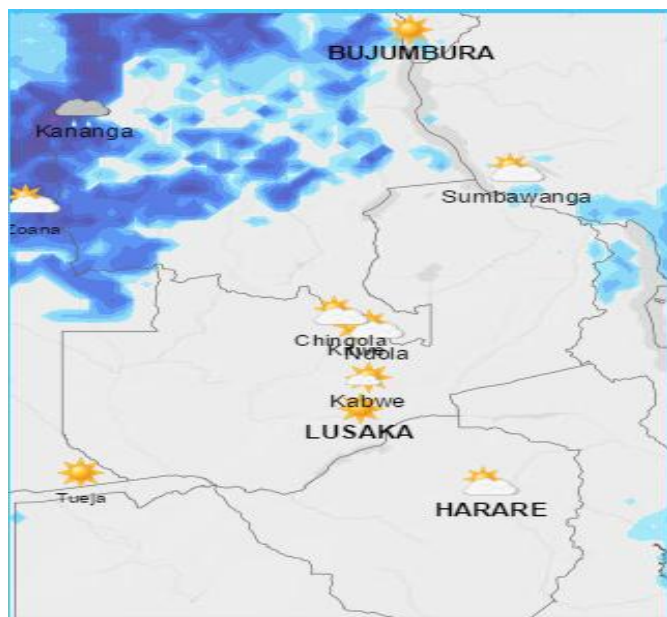
CURRENCY	07/02/2017						18/01/2017					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
FNB	9.81	10.00	0.74	0.75	12.23	12.47	9.85	10.04	0.73	0.74	11.93	12.17
ZANACO	9.80	9.98	0.73	0.74	12.21	12.44	9.84	10.02	0.73	0.74	11.88	12.11
Bank of Zambia	-	-	-	-	-	-	9.91	9.95	0.73	0.73	11.95	12.01

Parity Prices

Domestic Import Parity Prices as at 06/02/2017					
US\$/ZAR=13.44 US\$/ZMW=9.98					
Parity Prices		U\$/ZMW	Maize	Soya	Wheat
Lusaka		9.98	393.98	655.37	474.92
Town	Ex-Lusaka freight (ZMW)	\$	\$	\$	\$
Chipata	275	27.56	421.54	682.93	502.48
Mkushi	225	22.55	416.53	677.92	497.47
Ndola	250	25.05	419.03	680.42	499.97
Kitwe	250	25.05	419.03	680.42	499.97

Weather Forecast

The table below summarizes the weather forecast for some selected towns for the period 7th to 13th February 2017.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Heavy rains forecast on 7th and 10th to 12th while on 8th, 9th and 13th normal rain is expected. ➤ Average daily Temps: 17-26°C
Mkushi	<ul style="list-style-type: none"> ➤ Heavy rain is forecast for 9th/12th/ 13th while normal rain is expected on 7th/8th/11th. No rain is forecast on 10th ➤ Average daily Temps: 18-26°C
Kabwe	<ul style="list-style-type: none"> ➤ Heavy rains forecast for 12th and 13th while normal rains are expected on 7th/8th/9th/11th. No rain is forecast on 10th ➤ Average daily Temps:18-25°C
Lusaka	<ul style="list-style-type: none"> ➤ Rain forecast for the whole period, that is heavy rain on 7th , normal rain on 12th & 13th and rain showers on 8th /9th/10th/11th ➤ Average daily Temps: 18-25°C
Mazabuka	<ul style="list-style-type: none"> ➤ Rain to rain showers are forecast the whole period with heavy rain on 13th while the rest of the period rain showers. ➤ Average daily Temps: 19-27°

Choma	<ul style="list-style-type: none"> ➤ Light to normal rain forecast for the whole period ➤ Average daily Temps: 17-24°C
Livingstone	<ul style="list-style-type: none"> ➤ Normal rain forecast for 7th while the rest of the period is expected to have rain showers save for 10th when no rain is expected. ➤ Average daily Temps: 19-27°C
Mongu	<ul style="list-style-type: none"> ➤ Heavy rain forecast for 7th/10th/11th/13th and normal rain is expected on 8th/9th/12th. ➤ Average daily Temps:20-28°C.
Mansa	<ul style="list-style-type: none"> ➤ Heavy rains forecast on 8th/9th/12th . Normal rain is expected on 7th /10th/11th/13th . ➤ Average daily Temps: 18-26°C.
Kasama	<ul style="list-style-type: none"> ➤ Heavy rain is forecast for 7th/8th /9th/11th & normal rain is expected on 10th , while 12th & 13th light rain is expected. ➤ Average daily Temps: 17-26°C.
Solwezi	<ul style="list-style-type: none"> ➤ Heavy rains forecast for 7th /9th/10th/12th while 8th & 11th normal rain is expected. No rain is forecast for 13th . ➤ Average daily Temps: 17-27°C.
Chipata	<ul style="list-style-type: none"> ➤ Heavy rain forecast from 7th to 10th while normal rain is expected from 11th to 13th . ➤ Average daily Temps: 19-25°C.

Source: Norway meteorological Institute on 06/02/17

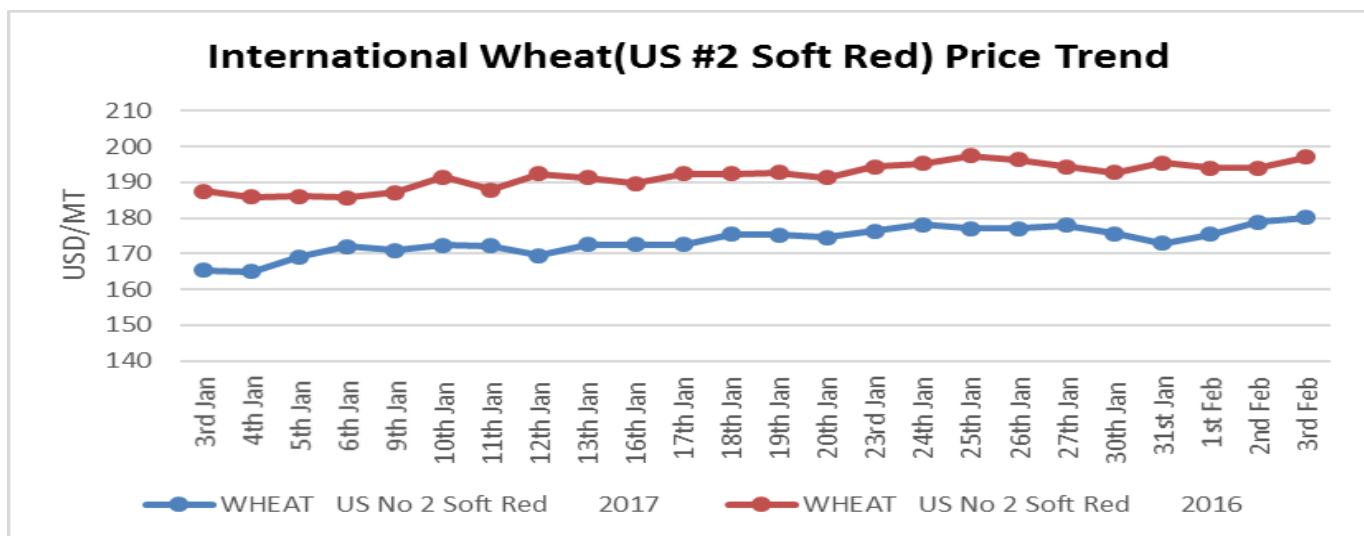
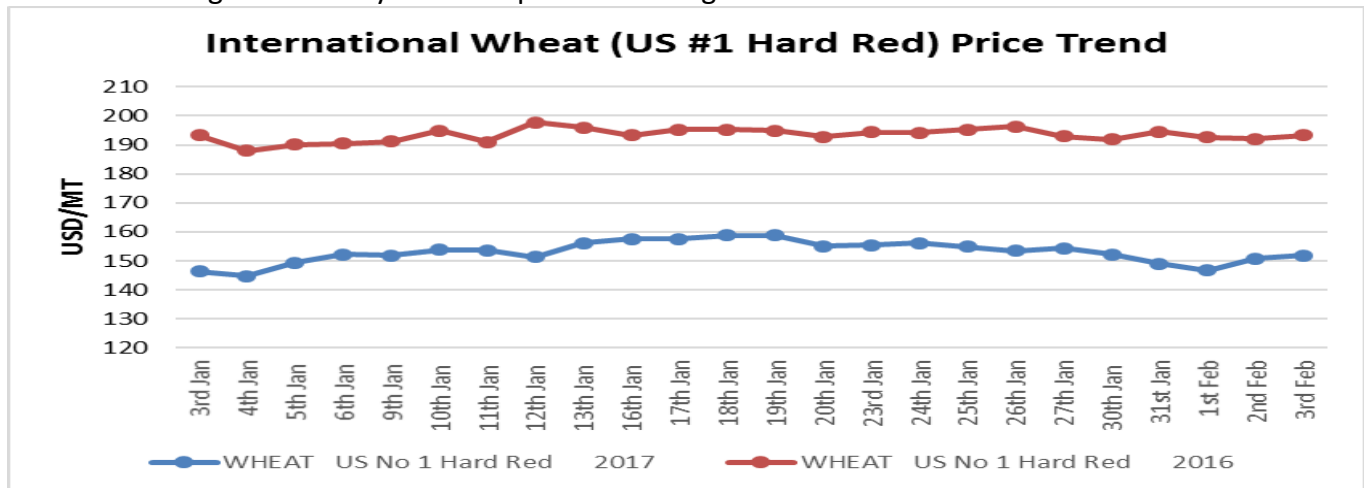
Wheat

Highlights

- According to the *International Grains Council*, Russia's 2016/17 wheat production could reach 72.5 million tons, which is 19% higher than the previous season.
- Meanwhile, Ukraine could see a 2% annual decline in their 2016/17 wheat production to 26.8 million tons. Overall, the Black Sea region is set to see a large wheat crop this season (source: *Agbiz report*).

International Price trends

The Safex international soft red and hard red wheat prices averaged US\$176.55/MT and US\$150.17/MT the week ending 3rd February 2017. All prices are fob gulf.



Source: Safex

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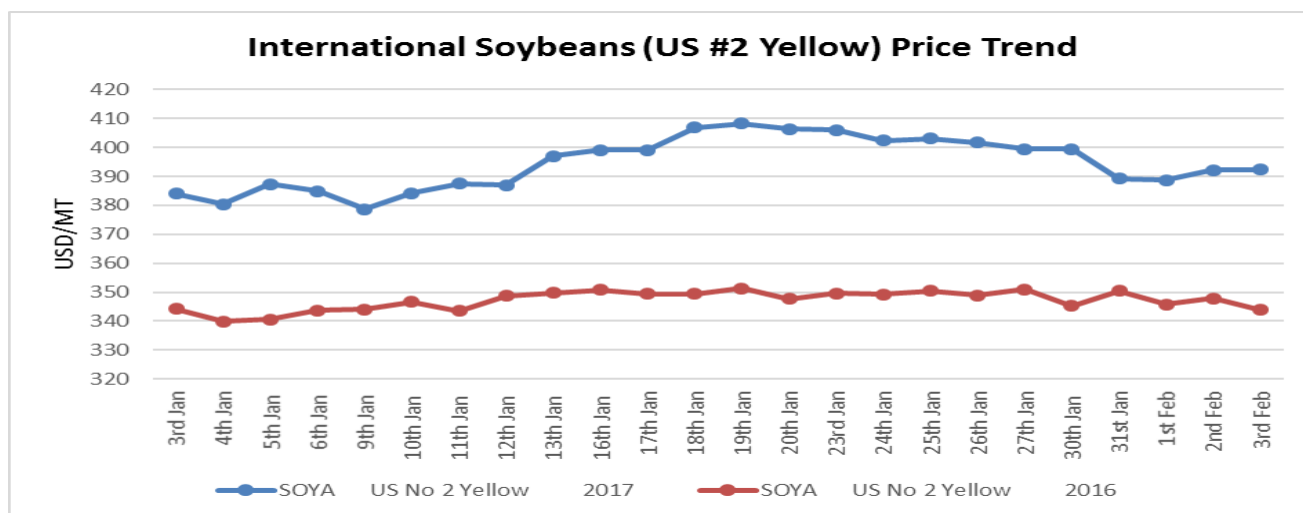
Soya Beans

Highlights

- According to International Grain Council's forecast for global soyabean output in 2016/17 is lowered fractionally to 334m t, albeit still an expansion of 18m y/y and an all-time peak.
- Record 2016/17 outturns in the US and Brazil should more than offset smaller harvests elsewhere as global soyabean output grows by 6% to a new high says the International Grain Council .

International Price trends

International spot prices for US No. 2 yellow soya beans on Safex averaged US\$392.38/MT in the week ending 3rd February, 2017. Prices are fob gulf.



Source: Safex

Maize

Highlights

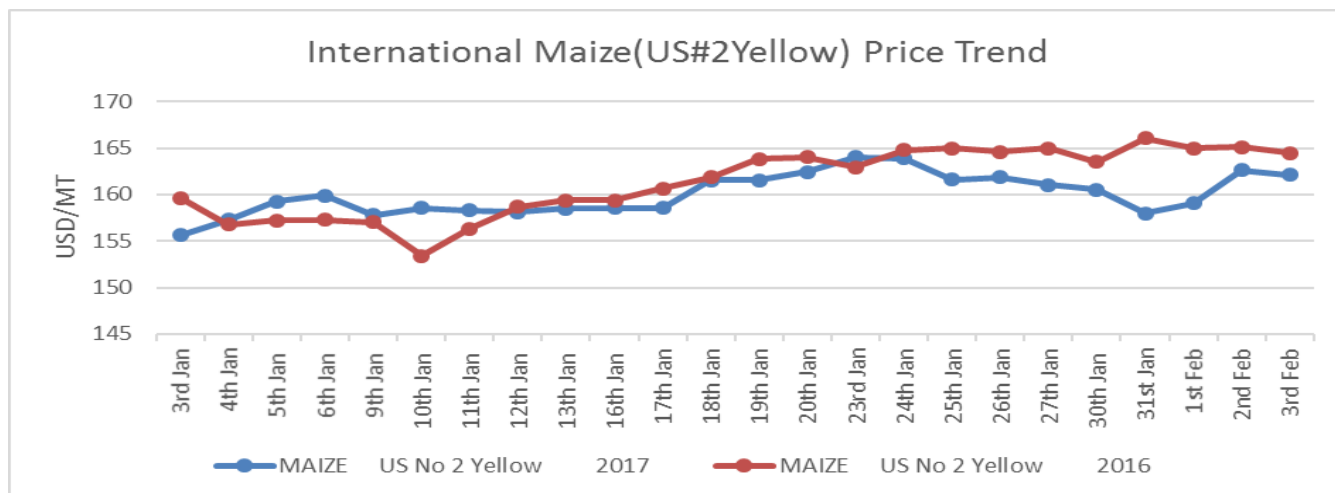
- According Agbiz report, overall, South Africa's maize crop is in good condition in most areas and set to benefit from forecast rainfall over the coming weeks.
- Assuming that the country receives a normal rainfall pattern throughout the remainder of the season, it is believed that total maize production could reach at least 11.9 million tons (compared to 7.5 million tons the previous season) the report says.
- Meanwhile, on Friday, the Department of Agriculture, Forestry, and Fisheries (DAFF) confirmed that the Fall Army Worm (FAW) was positively identified from samples collected in the Limpopo province. The damage reported so far is mainly on yellow maize as well as maize planted for seed production, this is according to Agbiz report.
- There are pesticides already approved to control the pests in maize and other crops

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Price trends

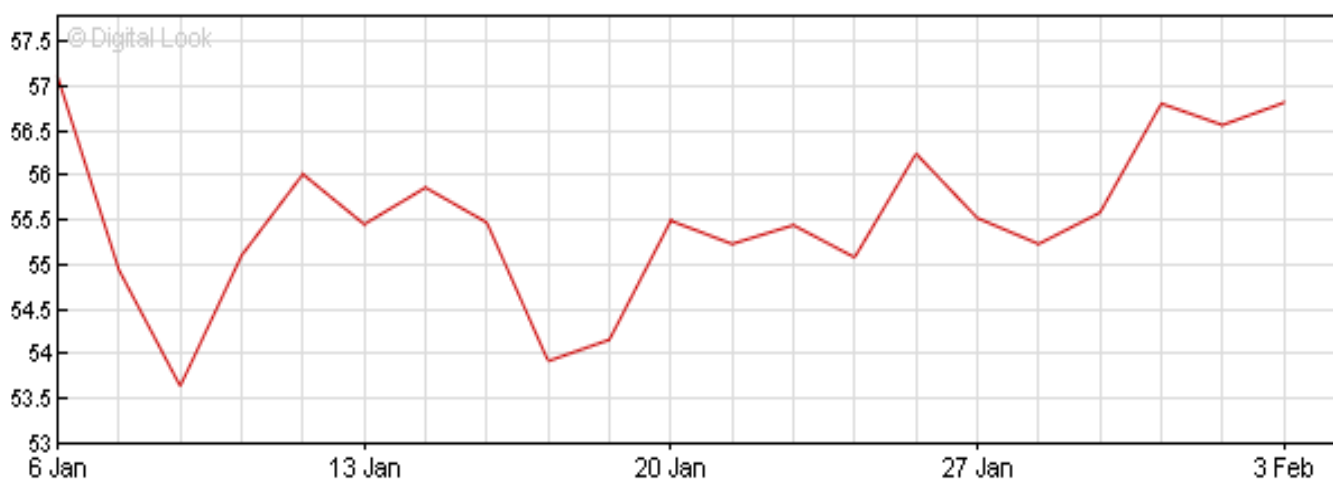
International maize spot prices traded at an average of US\$ 160.47/ton during the week ending 3rd February,2017. All prices are fob gulf.



Source: Safex

Crude oil

- Brent Crude oil reduces by 0.4% to reach US\$56.58 per barrel.



Source: BBC

Beef

Highlights

- On Friday, the SAFEX beef market gained ground, with prices up by 2% from the previous day's level, closing at R42.00 per kilogram according to Agbiz report.

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- The South African beef market has generally been under pressure since July 2015 due to large supplies. This comes on the back of higher slaughtering rate as farmers were unable to maintain their herds due to drier grazing fields and elevated feed costs (*Source: Agbiz report*).
- Recent data from the Red Meat Abattoir Association showed that 16 975 head of cattle were slaughtered in the week ending 27 January 2017. This was still 5% higher than the same period last year, but well below the higher levels that were seen the previous according to Agbiz report.

POULTRY NEWS AS OF 3RD FEBRUARY 2017

NATIONAL AVERAGE DOC PRICES REMAINS UNCHANGED



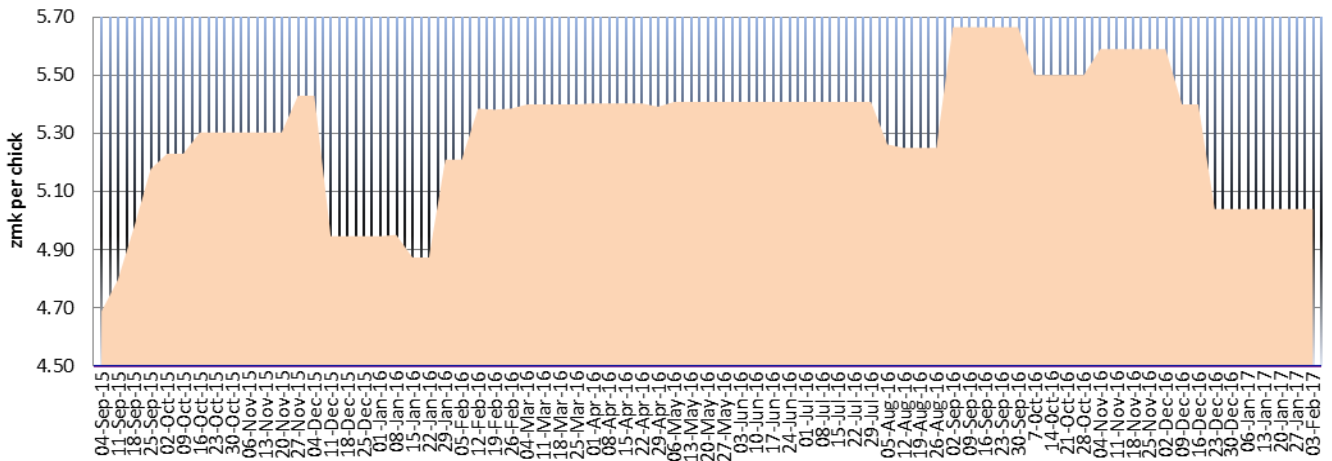
The prices for the day-old broiler chicks (DOC) during the week have remained stable for the sixth week in a row. Some hatcheries continue with the promotions in order to encourage more farmers back into production.

The prices for the day-old broiler chick during the week averaged ZMW 5.40 per day old chick. The lowest DOC is selling at ZMW4.5 while the highest is ZMW5.5. There are no changes on the pullet's prices, still trading at ZMW 9.45 and ZMW 6.8 per day old for Isa Brown and Lohman Brown respectively. The prices for Red-Bro birds have also been maintained at ZMW 5.5 per bird. The graph below shows the national average price trend for the broiler day old chicks.

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NATIONAL AVERAGE PRICES FOR DAY OLD CHICKS-FEBRUARY 2017



Source: Poultry Association of Zambia

NATIONAL AVERAGE LIVE BIRD PRICES



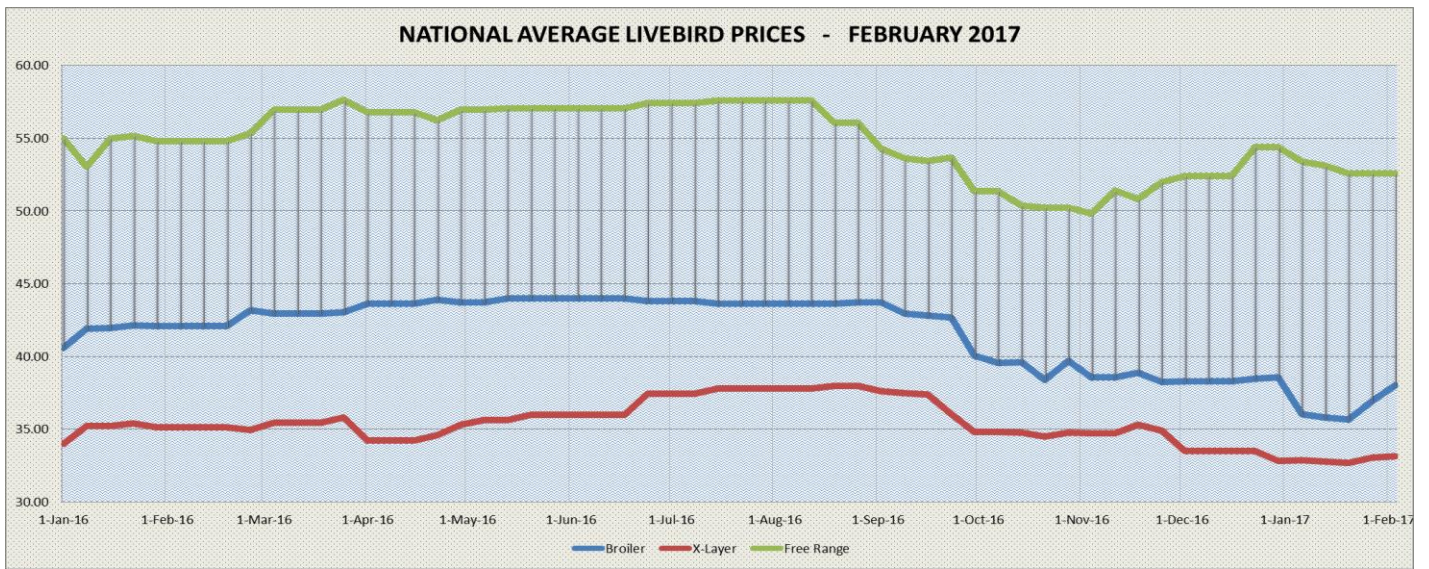
The national average prices for live chicken in the open markets post some gains of ZMW 1.08. The live broiler bird prices are now averaging ZMW 38 per bird compared with ZMW 36.92 recorded last week. This significant change has been noted in Lusaka whilst the prices in the rest of the districts remained stable.

The districts have remained unchanged. In Lusaka, Soweto, Mtendere and SOS markets; the broiler price is now averaging ZMW 38 per live bird from ZMW36 kwacha per bird obtained last week. It must be noted that these prices differ from one district to another. The Ex-layer prices have also recorded some stability after three weeks of slumping, currently trading at ZMW 33.16. In the same way, the village chicken has shown some stability now trading at ZMW 52.56.

Source: Poultry Association of Zambia

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Source: Poultry Association of Zambia

AVERAGE WHOLE DRESSED CHICKEN PRICES FOR LUSAKA

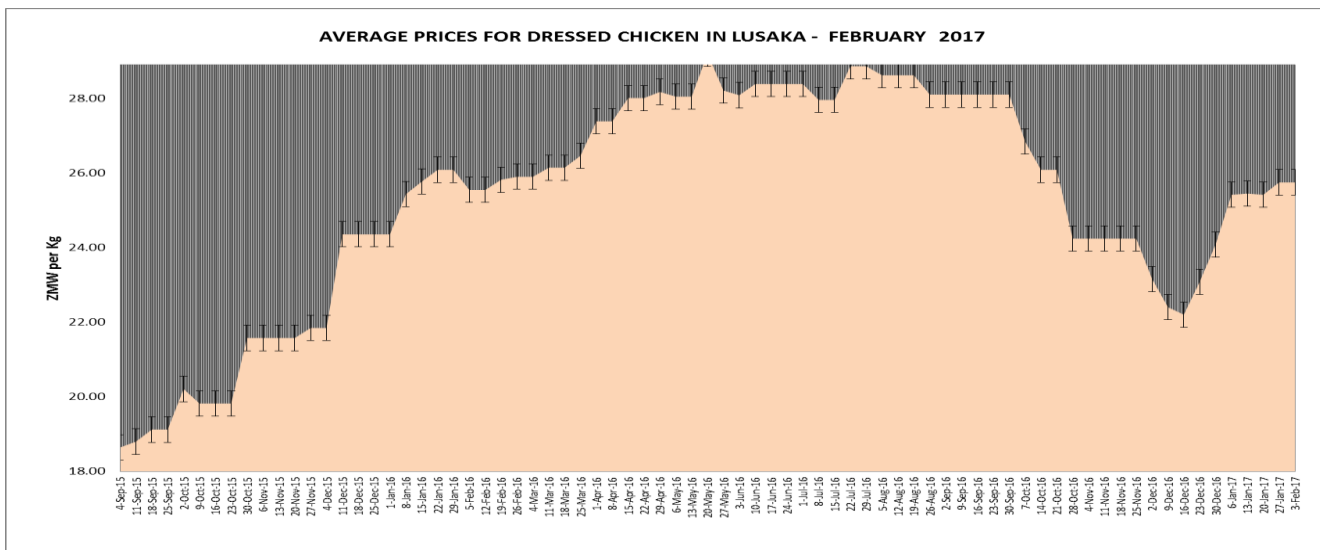


The dressed chicken prices continue with its price recovery for the fourth week running. The average price for the whole frozen chicken in Lusaka is about ZMW 25.75 per kg which is the same price that was recorded last week. It should also be noted that some brands are still on promotion.

It is hoped that some price stability can be registered in the frozen market. Please note that the prices are obtained from pick n pay, Shoprite, Zambeef and Melisa supermarket.

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Source: Poultry Association of Zambia

AVERAGE PRICES FOR THE POINT OF LAY REMAINS UNCHANGED



The prices for the point of lay range between ZMW 66 to 70 per bird depending on the supplier. The price differential is dependent on the supplier and the quantities being purchased. Yielding Tree, the largest supplier of point of lay in Zambia continues with its incentives for all the active PAZ members. 10% discount for purchases above 1,000, 15% discount for purchases Over 2,500 and 20% discount for 5,000. Sales volume for the point of lay has drastically reduced owing to the challenges facing the egg industry in terms of price reduction which has translated into decline in profit margins for the layers farmers.

NATIONAL AVERAGE EGG PRICES CONTINUE SHOWING SOME SIGNS OF RECOVERY

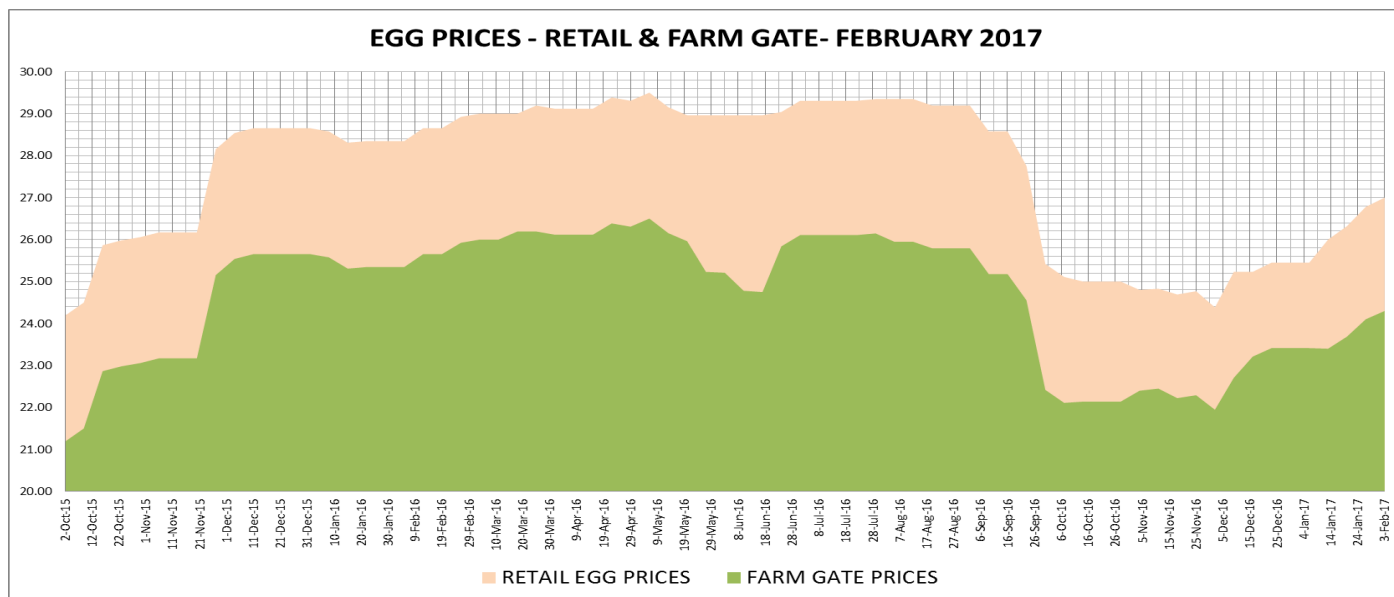
The retail egg prices in the open markets have gained ZMW 0.22 per tray compared with the gains of ZMW1.21 per tray obtained last week. The prices differ from market to market and from supplier to supplier. The retail prices in the open markets are still averaging price of ZMW 26.78 per tray, up from ZMW 26.32 per tray which was obtaining last week. Retail prices in some chain stores range between ZMW 28 to ZMW36 per tray of 30 eggs.

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Farm gate price also posted some gains averaging ZMW24.30 compared to ZMW24.10 recorded a week ago. The delivery price at Soweto, which is the biggest market in Lusaka has posted some recovery with medium eggs going at ZMW 20 per trays compared to ZMW 21 which has been the price for the past two and half months.

The delivery price for large eggs is now ZMW 24 per tray. On the other hand, the retail egg prices in the chain stores in Lusaka are averaging ZMW 28.29 per tray for mixed tray of 30 eggs. The quail eggs remain unchanged, trading at an average price of ZMW17.49 per tray.



Source: Poultry Association of Zambia

AVERAGE STOCK FEED PRICES REMAINS STABLE

SELECTED STOCKFEED INGREDIENTS



The national average prices for broiler and layer feed remained unchanged during the course of the week. Broiler starter is still trading at ZMW 240.22, broiler grower is averaging ZMW 233, while broiler finisher is trading at an average price of ZMW 226. Layer feed is trading between ZMW 191.5 and ZMW206 for pullet developer and pullet starter respectively. The prices for pullet grower is averaging ZMW 199.33 per 50kg bag.

For those compounding their own poultry feed, the chart below outlines the prices of some of the ingredients for poultry stockfeed as captured at Livestock Services.

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