



# THE WEEKLY AGRO WATCH



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14<sup>th</sup> March, 2017 Vol.4. No.4

## Highlights

- South Africa's maize production is set to reach 13.92 million tonnes against 5.7 million consumption requirements.
- Malawi maize production forecast at 3 million tons.
- Light rain showers to heavy rain forecast in selected parts of the country
- Soybean futures hit a two-month low.

## Exchange Rates

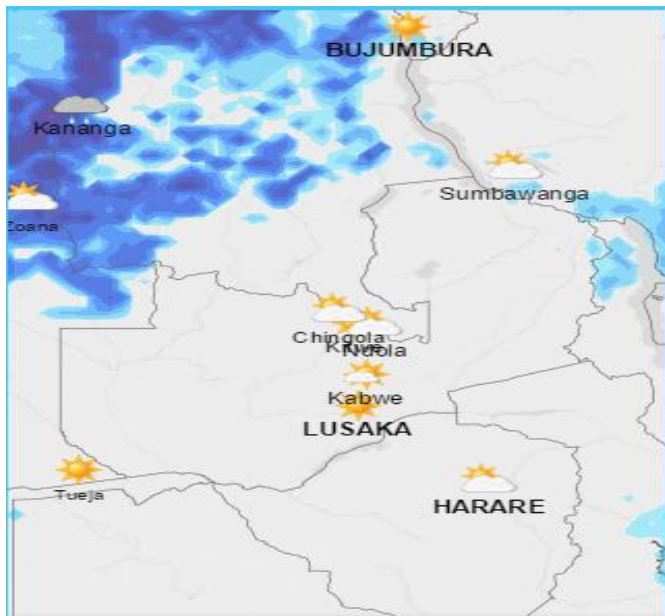
CURRENCY	14/03/2017						07/02/2017					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
FNB	9.5390	9.7310	0.7310	0.7450	11.6400	11.8760	9.81	10.00	0.74	0.75	12.23	12.47
ZANACO	9.5344	9.7156	0.7254	0.7392	11.6377	11.8588	9.80	9.98	0.73	0.74	12.21	12.44
Bank of Zambia	-	-	-	-	-	-	-	-	-	-	-	-

## Parity Prices

Domestic Import Parity Prices as at 14/03/2017					
US\$/ZAR=13.11 US\$/ZMW=9.73					
Parity Prices	U\$/ZMW	Maize	Soya	Wheat	
Lusaka	9.73	340.35	566.87	493.34	
Town	Ex-Lusaka freight (ZMW)	\$	\$	\$	\$
Chipata	275	28.26	368.61	595.13	521.60
Mkushi	225	23.12	363.47	589.99	516.46
Ndola	250	25.69	366.04	592.56	519.03
Kitwe	250	25.69	366.04	592.56	519.03

## Weather Forecast

The table below summarizes the weather forecast for some selected towns for the period 15<sup>th</sup> to 19<sup>th</sup> March, 2017.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> <li>➤ No rainfall activity forecast from 15<sup>th</sup> to 19<sup>th</sup>.</li> <li>➤ Clear skies, fair to partly cloudy skies are expected, with parts of the 15<sup>th</sup> and 17<sup>th</sup> being cloudy.</li> <li>➤ Average daily Temps: 15-26°C</li> </ul>
Mkushi	<ul style="list-style-type: none"> <li>➤ No rainfall activity forecast from 15<sup>th</sup> to 19<sup>th</sup>.</li> <li>➤ Clear skies, fair to partly cloudy skies are expected with parts of the 15<sup>th</sup>/16<sup>th</sup> being cloudy.</li> <li>➤ Average daily Temps: 14-26°C</li> </ul>
Kabwe	<ul style="list-style-type: none"> <li>➤ Light rain showers forecast for 19<sup>th</sup>.</li> <li>➤ Clear skies, fair to partly cloudy and cloudy skies are expected for the rest of the period</li> <li>➤ Average daily Temps: 14-26°C</li> </ul>
Lusaka	<ul style="list-style-type: none"> <li>➤ Light rain showers forecast for 19<sup>th</sup>.</li> </ul>

	<ul style="list-style-type: none"> <li>➤ Clear skies to partly cloudy skies are expected for the remaining period apart from parts of 15<sup>th</sup> being cloudy.</li> <li>➤ Average daily Temps: 15-25°C</li> </ul>
Mazabuka	<ul style="list-style-type: none"> <li>➤ No rainfall activity forecast from 15<sup>th</sup> to 19<sup>th</sup>.</li> <li>➤ Clear skies, fair to partly cloudy skies are expected for the whole of the period.</li> <li>➤ Average daily Temps: 16-26°C</li> </ul>
Choma	<ul style="list-style-type: none"> <li>➤ Rain forecast for 18<sup>th</sup> with light rain showers on the 19<sup>th</sup>. No rainfall activity is expected for the rest of the period.</li> <li>➤ Clear skies, fair to partly cloudy skies are expected for the remaining period with parts of 15<sup>th</sup>/16<sup>th</sup> being cloudy.</li> <li>➤ Average daily Temps: 14-25°C</li> </ul>
Livingstone	<ul style="list-style-type: none"> <li>➤ Light rain showers forecast for 18<sup>th</sup> while the rest of the period is expected to have no rainfall activity but clear, fair to partly cloudy skies.</li> <li>➤ Average daily Temps: 16-28°C</li> </ul>
Mongu	<ul style="list-style-type: none"> <li>➤ No rainfall activity forecast from 15<sup>th</sup> to 19<sup>th</sup>.</li> <li>➤ Parts of 15<sup>th</sup>/16<sup>th</sup>/17<sup>th</sup>/19<sup>th</sup> are expected to be cloudy while the rest of the period is expected to have clear, fair to partly cloudy skies.</li> <li>➤ Average daily Temps: 19-29°C.</li> </ul>
Mansa	<ul style="list-style-type: none"> <li>➤ Rain forecast for 16<sup>th</sup>/17<sup>th</sup> while light rain and showers are expected on 18<sup>th</sup>/19<sup>th</sup>.</li> <li>➤ Parts of 15<sup>th</sup> is expected to be cloudy with no rainfall activity.</li> <li>➤ Average daily Temps: 18-26°C.</li> </ul>
Kasama	<ul style="list-style-type: none"> <li>➤ Rain and Light rain showers forecast for 16<sup>th</sup>/17<sup>th</sup>/18<sup>th</sup> while 15<sup>th</sup>/19<sup>th</sup> are expected to be</li> </ul>

	<p>cloudy with light rains expected on the 15<sup>th</sup>.</p> <ul style="list-style-type: none"> <li>➤ Average daily Temps: 16-25°C.</li> </ul>
Solwezi	<ul style="list-style-type: none"> <li>➤ Heavy and normal rain forecast for 16<sup>th</sup> with normal rains and light rains expected on the 17<sup>th</sup>. Rain showers are expected on the 18<sup>th</sup>.</li> <li>➤ The rest of the period is expected to have clear skies except for parts of 15<sup>th</sup>/17<sup>th</sup> being cloudy.</li> <li>➤ Average daily Temps: 16-26°C.</li> </ul>
Chipata	<ul style="list-style-type: none"> <li>➤ Rainfall forecast for 19<sup>th</sup> while light rain for 17<sup>th</sup>.</li> <li>➤ The whole period is expected to have clear skies, fair skies, partly cloudy to cloudy skies.</li> <li>➤ Average daily Temps: 16-25°C.</li> </ul>

*Source: Norway meteorological Institute on 10/03/17*

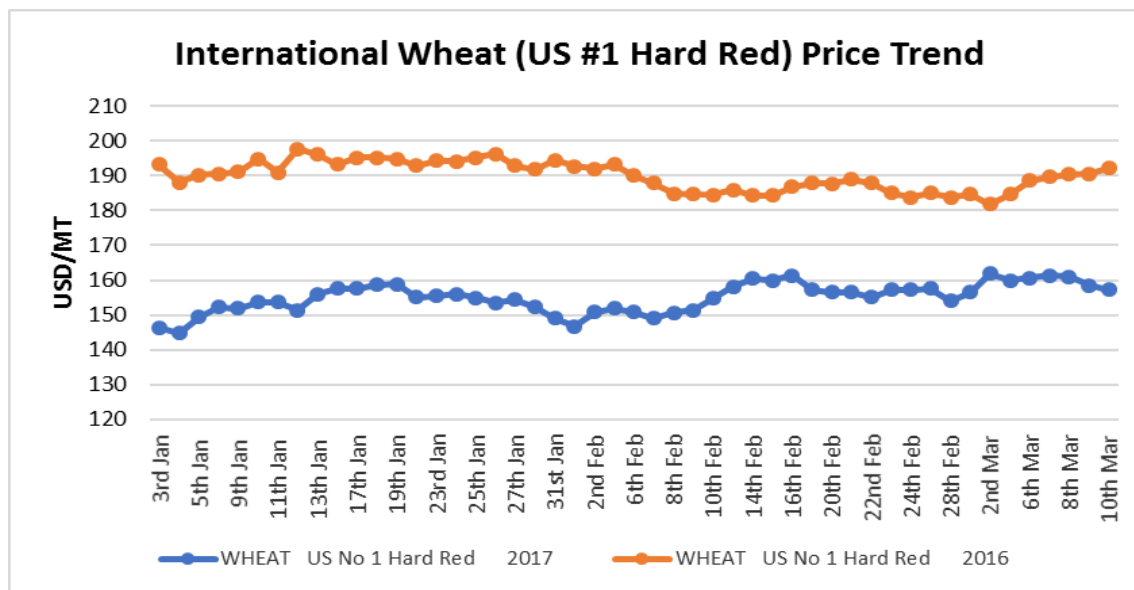
## Wheat

### Highlights

- U.S. wheat imports for 2016/17 are reduced this month by 10 million bushels to 115 million. The season-average farm price is unchanged with the midpoint of the range at \$3.85 per bushel says the *USDA*.
- Wheat exports from Argentina are forecast to reach their highest level in five years on the back of a bumper crop in the South American country and competitive prices (*Source: Grain Central*)

### International Price trends

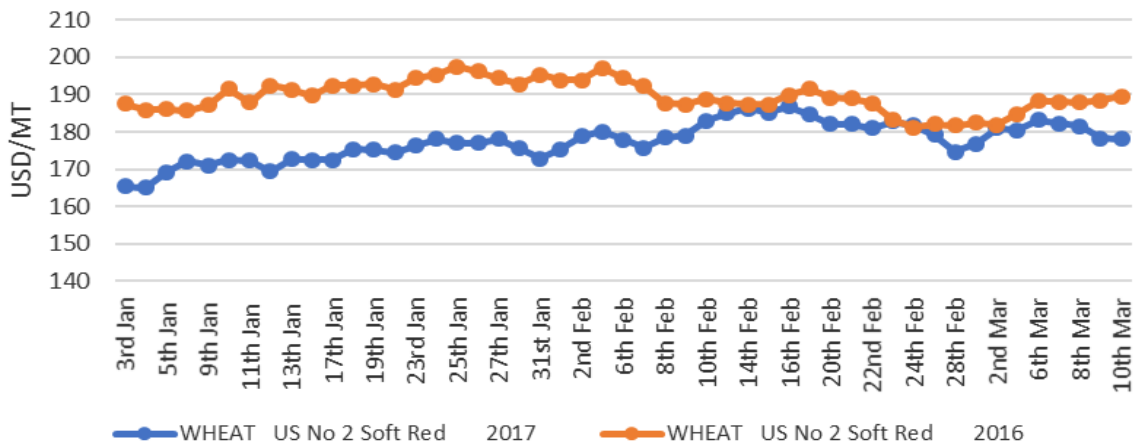
The Safex international soft red and hard red wheat prices averaged US\$178.02/MT and US\$157.26/MT the week ending 10<sup>th</sup> March, 2017 respectively. All prices are fob gulf.



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## International Wheat(US #2 Soft Red) Price Trend



Source: Safex

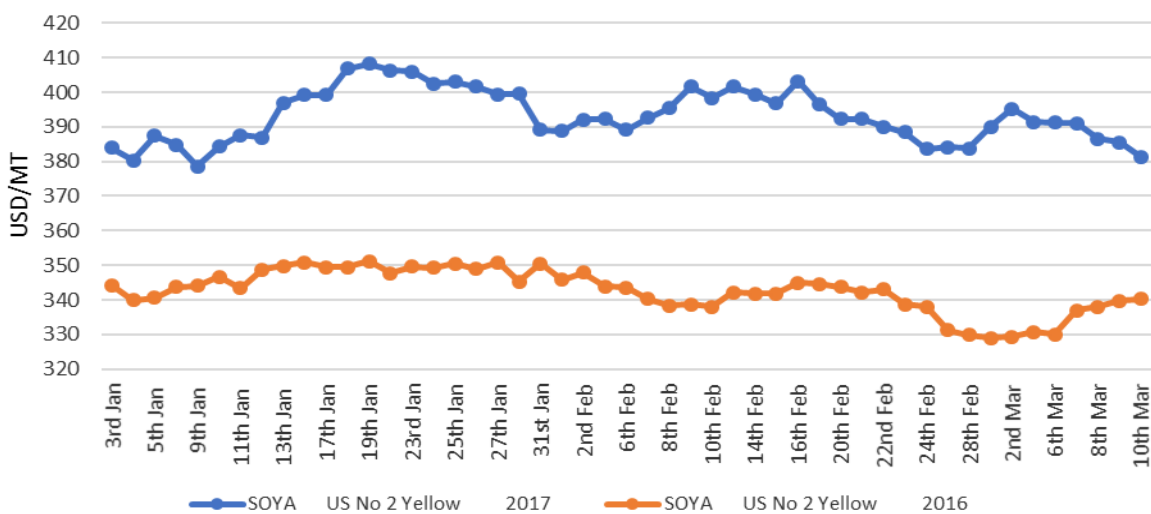
## Soya Beans

### Highlights

- Soybean futures hit a two-month low. Soybean futures for May touched \$10.06 ½ a bushel on CBOT a drop of 1.5% on the day, and taking above 7% the contract's decline from its January high. (Source: Agrimoney)
- 75% of Soy Crop in Paraguay harvested while Brazil approaches 50% harvest (Source: Agrimoney)

International spot prices for US No. 2 yellow soya beans on Safex averaged US\$381.39/MT in the week ending 10<sup>th</sup> March, 2017. Prices are fob gulf.

## International Soybeans (US #2 Yellow) Price Trend



Source: Safex

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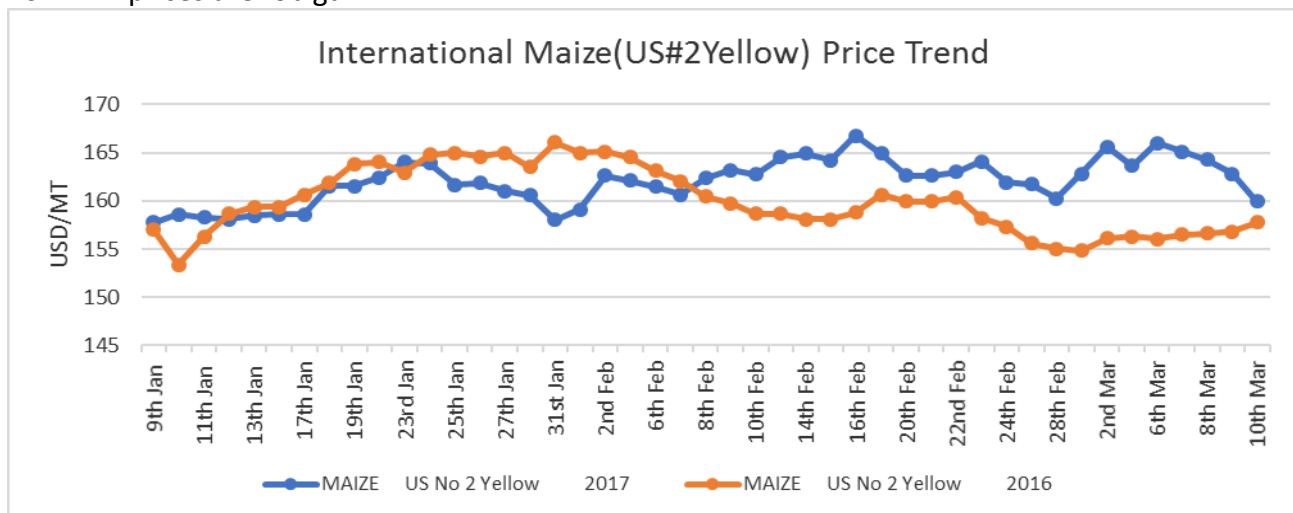
## Maize

### Highlights

- According to FAO, Zimbabwe forecasts point to maize production recovery in 2017, but fall army worm outbreak and heavy rains likely to restrain bigger gains. Early production forecasts for maize point to a strong rebound from last year's reduced output. The more positive outlook this season mostly reflects wetter conditions, which are predicted to continue until harvesting.
- South Africa's maize production is set to reach 13.92 million tonnes, the country could regain its status as a net exporter in the 2017/18 marketing season. The total maize exports are forecast at 2.5 million tonnes, more than double the previous season's export volume. About 56% of this is white maize and the remainder is yellow maize. (Source: Agbiz report).
- Malawi maize production for 2016/17 season is forecast at 3 million tons against its 2.7 million annual consumption requirements. The increased production is attributed to above normal rainfall activity. (Source: Fewsnets).
- However, for the 2016/17 marketing season, South Africa will continue to import maize in order to fulfil domestic needs. In the week ending 03 March 2017, the country imported 62 095 tonnes of yellow maize. This placed 2016/17 total maize imports at 2.03 million tonnes, which is 85% of the seasonal import forecast. (Source: Agbiz report)

### Price trends

International maize spot prices traded at an average of US\$159.96/ton during the week ending 10<sup>th</sup> March, 2017. All prices are fob gulf.

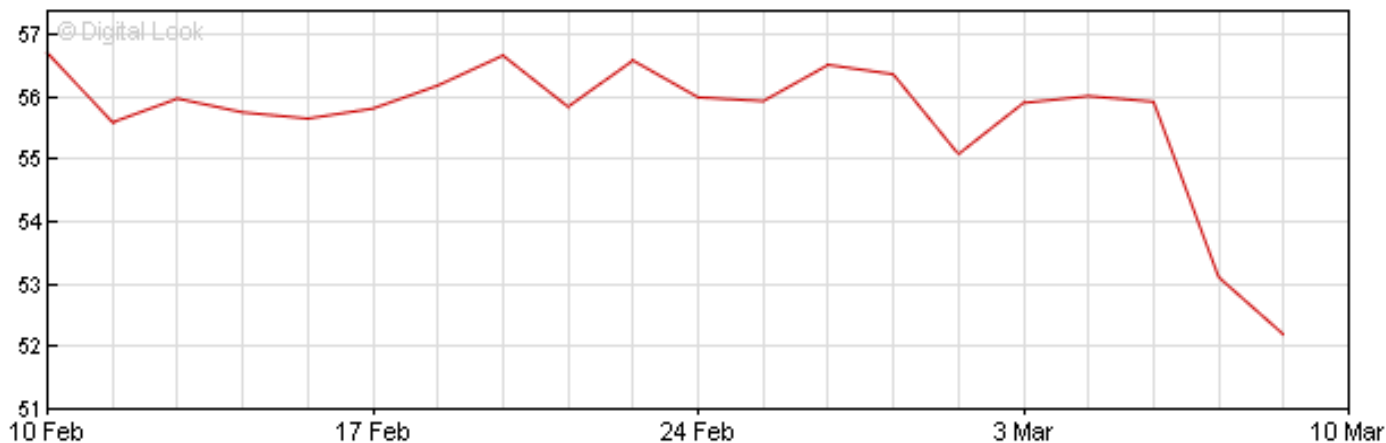


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## Crude oil

- The Brent crude oil market saw substantial losses the morning of 9<sup>th</sup> March, 2017, with the price down by 3.90% from the level seen at midday the previous day. These losses were on the back of increasing oil production in the US. (Source: Agbiz report)
- Brent Crude oil reduced by 0.2% to reach US\$52.11 per barrel as of 10<sup>th</sup> March, 2017.



Source: BBC

## Beef

### Highlights

- The SAFEX beef market saw a quiet week, owing to lower traded volumes. As a result, prices remained unchanged from the previous week at R44.00 per kilogram according to an Agbiz report.
- January and February 2017 slaughtering data is not yet out, but the weekly slaughtering activity points to a slowing trend which suggests that farmers have started restocking their herds. This comes after recent rainfall led to a notable improvement in grazing fields, as well as relatively lower feed costs. (Source: Agbiz report).
- In the week ending 24 February 2017, slaughtering activity was at 14 638 head of cattle which is 8% lower than the corresponding period last year (Source: Agbiz report).

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