



THE WEEKLY AGRO WATCH



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28th March, 2017 Vol.4. No.6

Highlights

- Light rain showers to rain showers forecast for most of the selected parts of the country.
- South African corn prices to tumble, as harvest nears.
- CBOT May soybeans prices makes marginal increase

Exchange Rates

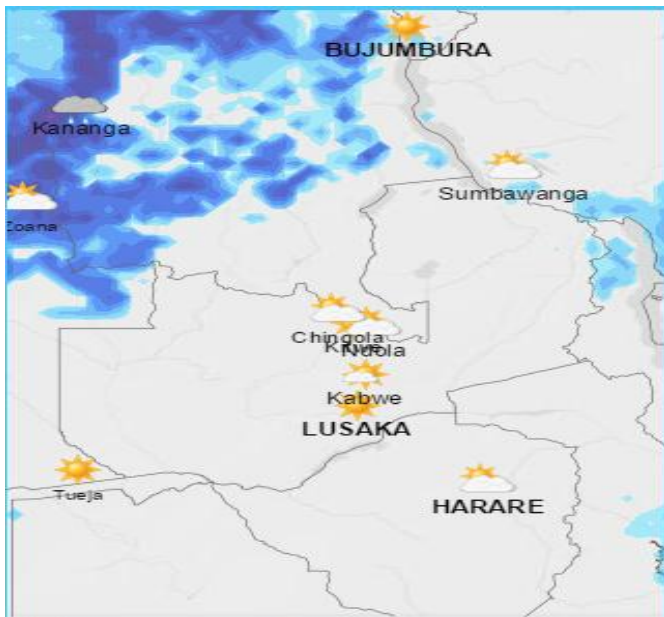
CURRENCY	27/03/2017						20/03/2017					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
FNB	9.4400	9.6300	0.7690	0.7840	11.8280	12.0660	9.5490	9.7410	0.7580	0.7730	11.8300	12.0680
ZANACO	9.4415	9.6285	0.7651	0.7803	11.8482	12.0828	9.5344	9.7156	0.7523	0.7666	11.8165	12.0410
Bank of Zambia	9.5107	9.5601	0.7627	0.7672	11.8703	11.9348	9.5480	9.5975	0.7475	0.7518	11.7976	11.8672

Parity Prices

Domestic Import Parity Prices as at 27/03/2017					
US\$/ZAR=13.11 US\$/ZMW=9.73					
Parity Prices		U\$/ZMW	Maize	Soya	Wheat
Lusaka		9.63	330.97	565.07	508.57
Town	\$	\$	\$	\$	\$
Chipata	28.56	359.53	593.63	537.13	534.77
Mkushi	23.36	354.33	588.43	531.93	529.64
Ndola	25.96	356.93	591.03	534.53	532.20
Kitwe	25.96	356.93	591.03	534.53	532.20

Weather Forecast

The table below summarizes the weather forecast for some selected towns for the period 29th March to 4th April, 2017.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Light rain showers, rain showers and rain is forecast for 31st/1st/2nd respectively. ➤ The rest of the period is expected to have fair to cloudy skies on average. ➤ Average daily Temps: 16-26°C
Mkushi	<ul style="list-style-type: none"> ➤ Light rain to rain showers is forecast for 1st. ➤ Partly cloudy to cloudy skies are expected for most of the remaining period. ➤ Average daily Temps: 16-25°C
Kabwe	<ul style="list-style-type: none"> ➤ Light rain showers forecast for 1st while light rain and light rain showers is expected for 31st/4th respectively. ➤ The remaining period is expected to have clear and fair skies but will mostly have partly

	<ul style="list-style-type: none"> ➤ cloudy skies. ➤ Average daily Temps: 16-25°C
Lusaka	<ul style="list-style-type: none"> ➤ Light rain and rain showers forecast for 3rd/4th. ➤ The whole period is expected to have clear to cloudy skies on average. ➤ Average daily Temps: 15-24°C
Mazabuka	<ul style="list-style-type: none"> ➤ Rain showers is forecast for 4th. ➤ The rest of the period is expected to mostly have clear skies, with parts of 31st/1st being cloudy. ➤ Average daily Temps: 14-26°C
Choma	<ul style="list-style-type: none"> ➤ Light rain showers and rain showers forecast for 3rd/4th respectively. ➤ Clear to partly cloudy skies are expected for the remaining period. ➤ Average daily Temps: 13-24°C
Livingstone	<ul style="list-style-type: none"> ➤ No rainfall activity is forecast for the whole period. ➤ The whole period is expected to have clear skies. ➤ Average daily Temps: 16-27°C
Mongu	<ul style="list-style-type: none"> ➤ No rainfall activity is forecast for the whole period. ➤ 29th/1st are expected to be cloudy while the remaining period is expected to have clear skies. ➤ Average daily Temps: 19-25°C.
Mansa	<ul style="list-style-type: none"> ➤ Rain showers to normal rain is forecast for 29th/30th/31st/2nd/4th while the 1st is expected to have light rain showers. ➤ The skies on average are

	<p>expected to be partly cloudy to cloudy.</p> <ul style="list-style-type: none"> ➤ Average daily Temps: 18-25°C.
Kasama	<ul style="list-style-type: none"> ➤ Heavy rain is forecast for 30th while rain showers to normal rain is expected on 29th/31st/1st/2nd/. The 4th is expected to have light rain. ➤ Average daily Temps: 16-24°C.
Solwezi	<ul style="list-style-type: none"> ➤ Rain showers to normal rain forecast for 29th – 3rd while heavy rain showers are expected on 2nd. ➤ The whole period is expected to be partly cloudy to cloudy. ➤ Average daily Temps: 16-26°C.
Chipata	<ul style="list-style-type: none"> ➤ Heavy rain forecast for 4th while light rain showers to rain showers are expected on 1st/3rd. ➤ The skies on average will be fair to cloudy. ➤ Average daily Temps: 17-25°C.

Source: Norway meteorological Institute on 26/03/17

Wheat Highlights

CBOT wheat slid for a third consecutive session on Wednesday, trading near the previous session's six-week low as forecasts for rain improved the prospects for the U.S. winter crop. CBOT's most-active wheat contract fell 0.4 percent to \$4.25 a bushel, having closed at 0.9 percent on Tuesday when prices hit a low of \$4.23 a bushel - weakest since Feb. 7.

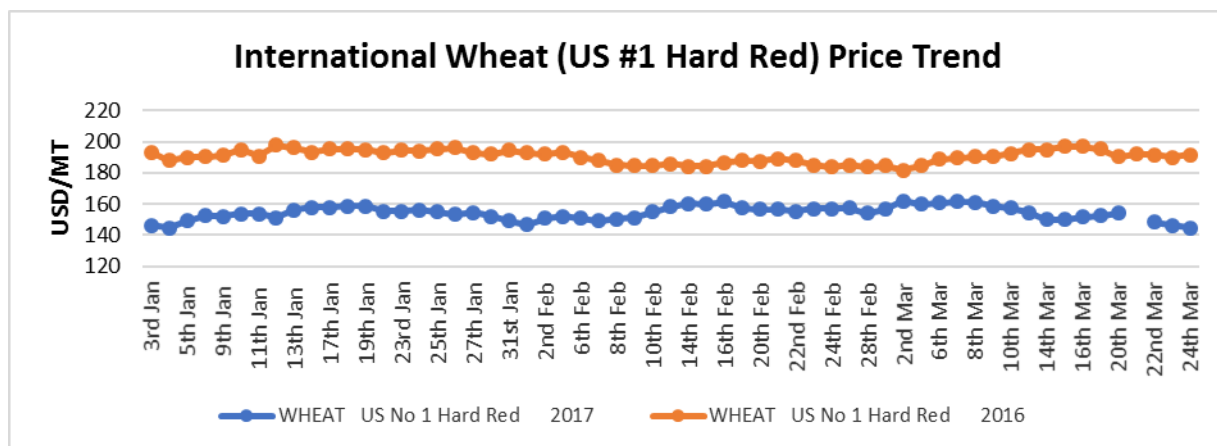
Russian wheat export prices were static this week despite potential exporting strains as well as abundant stocks. Black Sea prices for Russian wheat with 12.5% protein content for April delivery were at US\$192 a tonne (FOB) at the end of last week, unchanged from a week earlier. (Source Russian Grain Union)

The world's biggest buyer of wheat, Egypt, rejected three cargoes of the grain last week, the first time since overhauling its inspection system and following laxer import policy. (Source: Russian Grain Union)

U.S. wheat futures dropped to their lowest level in more than six weeks on Tuesday, 21st March, their second straight day of declines, as weather forecasts bolstered expectations for strong yields adding to already-abundant supplies in the coming weeks, traders said. (Source: Grain news)

International Price trends

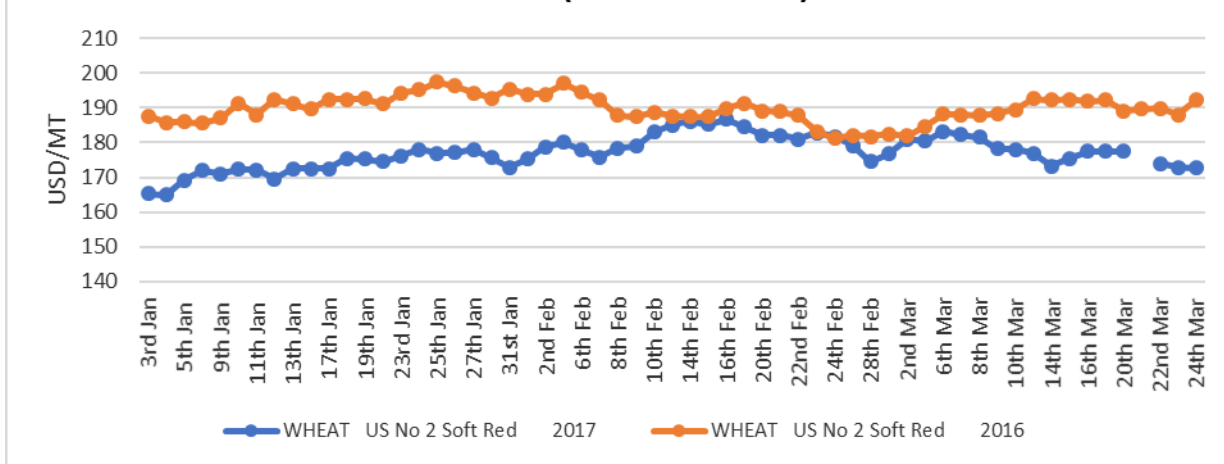
The Safex international soft red and hard red wheat prices averaged US\$ 172.69/MT and US\$ 144.58/MT the week ending 24th March, 2017, respectively. All prices are FOB gulf.



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International Wheat(US #2 Soft Red) Price Trend



Source: Safex

Soya Beans

Highlights

- China's soybean imports will set a record high for a 14th consecutive season, backed by ever-growing demand for protein and vegetable oils – although South American exporters, rather than the US, will pick up the extra demand. (Source: Agrimoney)
- US Department of Agriculture staff in Beijing, in their first forecasts for 2017-18, pegged Chinese soybean imports, by far the world's biggest, at 89m tonnes, up 3m tonnes year on year on its estimates. That would extend a spell of unbroken annual increases in Chinese purchases going back to 2004-05, when imports came in at 25.8m tonnes. (Source: Agrimoney)
- CBOT May soybeans were up two (2) cents as at 21st March, 2017, at \$10.01-1/2 a bushel. Soybean futures had fallen for 10 of the previous 11 sessions. (Source: Grain news)
- U.S. soybeans edged lower last week Thursday as forecasts for ample global supplies kept the oilseed near a three-month low. The most active soybean futures on the CBOT slipped 0.1% to \$9.99 a bushel, having closed 0.18% in the previous session. (Source: Reuters)

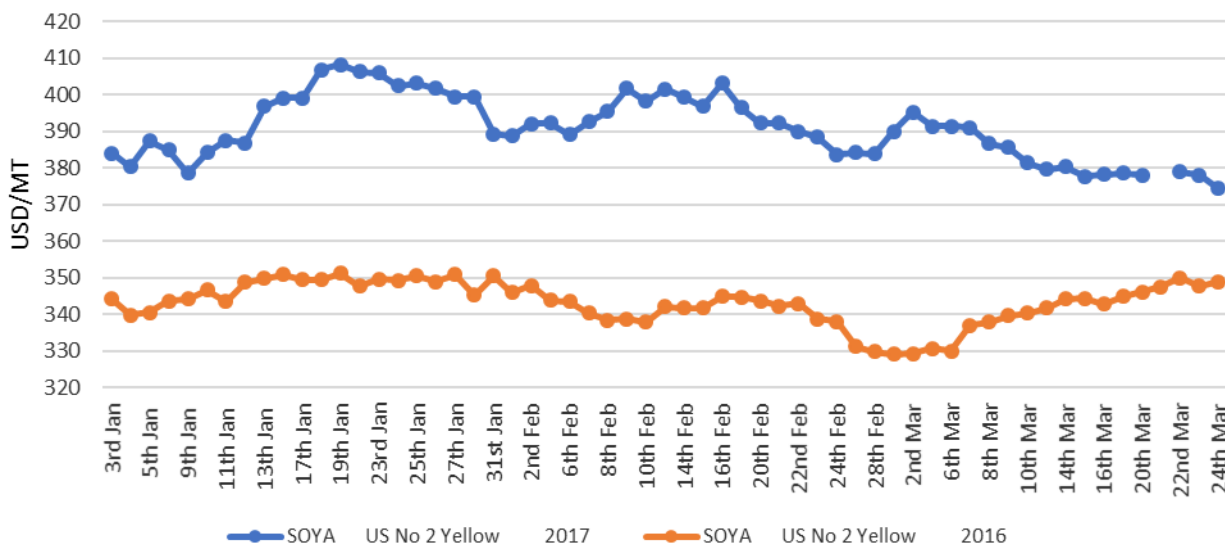
International Price trends

International spot prices for US No. 2 yellow soya beans on Safex averaged US\$ 374.41/MT in the week ending 24th March, 2017. Prices are FOB gulf.

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International Soybeans (US #2 Yellow) Price Trend



Source: Safex

Maize

Highlights

- Global corn prices soften as export competition grows.**
 Corn prices in the US, Black Sea and South America all witnessed moderate falls last week at the back of abundant supplies as well repercussions from the other week's WASDE report. (Source Russian Grain Union)
- U.S. grains: corn falls to multi-week lows.**
 Corn futures fell on Tuesday, 21st March, hitting their lowest since Feb. 1, on pressure from the drop in wheat and improving crop prospects in Brazil.
- South African corn prices tumble, as harvest nears.**
 South African corn prices will break fresh multi-year lows in the coming months, as the harvest bounces back after two years of drought, grain industry body AgBiz said. But prices could rebound strongly by the end of the year, with El Nino risk and rapid regional demand setting the stage for a potentially rally. (Source: AgBiz)

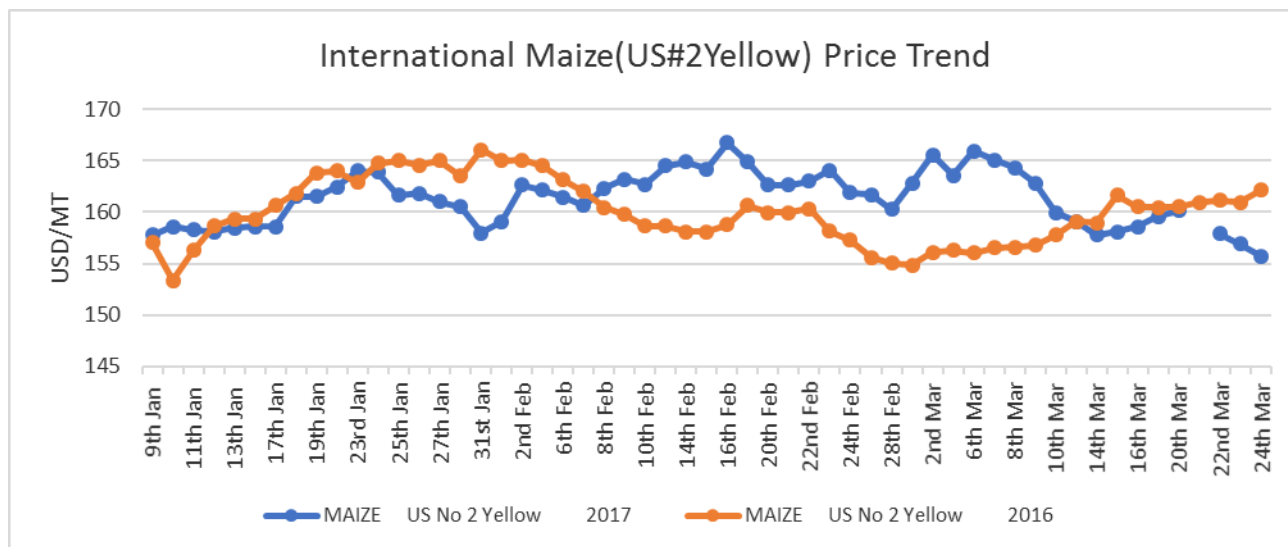
The grain industry body noted the recent upgrade to South African harvest prospects by the USDA, which forecast the corn crop at 14.6m tonnes, up 12% from the previous month's forecast, and up 78% year-on-year. "The increase in corn production comes at the back of an increase in area plantings, and higher expected yields due to favourable weather conditions," AgBiz said. (Source: AgBiz)

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International Price trends

International maize spot prices traded at an average of US\$155.73/ton during the week ending 24th March, 2017. All prices are fob gulf.



Source: Safex

Crude oil

Highlights

- Oil settles at \$48.04, down 20 cents, as US crude stockpiles swell

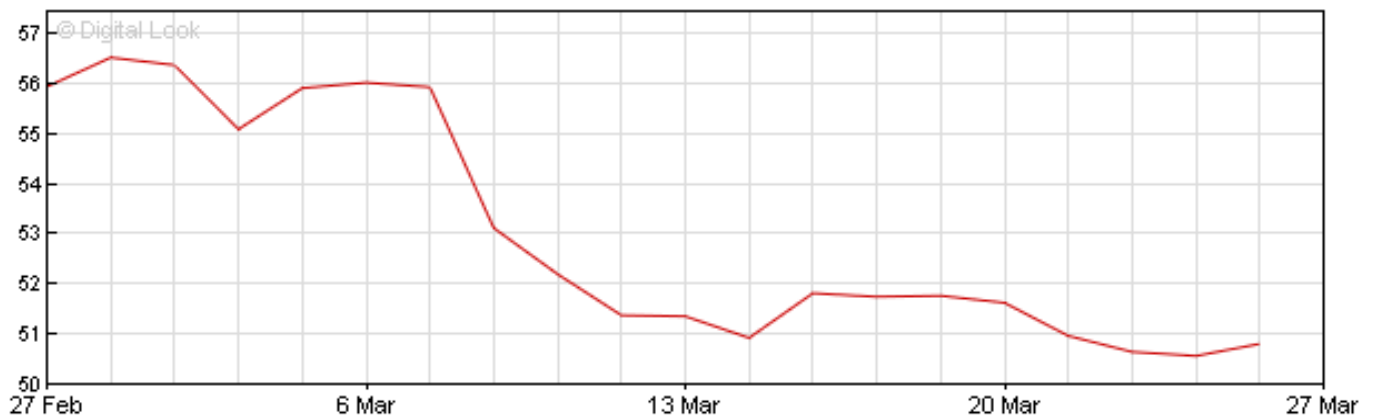
Oil prices recouped much of their losses after sliding to almost four-month lows on Wednesday after data showed U.S. crude inventories rising faster than expected, piling pressure on OPEC to extend output cuts beyond June.

The U.S. Energy Information Administration (EIA) said U.S. inventories climbed by almost 5 million barrels to 533.1 million the week ending 17th March, far outpacing forecasts for an increase of 2.8 million. (Source: Reuters)

- Brent Crude oil reduced by 0.38% to reach US\$50.42 per barrel as of 27th March, 2017.

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Source: BBC

Beef

Highlights

- **Another quiet week in the SAFEX beef market**

This was again another quiet week in the SAFEX beef market, owing to lower traded volumes. The spot price remained unchanged from the previous week at R44.00 per kilogram. Worth noting is that South Africa exported 3 619 tonnes of beef in January 2017, which is 3% lower than December 2016 volumes, but 21% higher than the corresponding month in 2016.

Exports of fresh/chilled beef were 2 170 tonnes in January 2017, which is 5% more than what was exported in December 2016, and 58% more export volumes in the corresponding month in 2016. Exports of frozen beef were 1 449 tonnes in January 2017, which is 12% lower than that of December 2016 and 10% lower than the corresponding month of 2016. (Source: Agbiz report)

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