



THE WEEKLY AGRO WATCH



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4th April, 2017 Vol.4. No.7

Highlights

- Light rain showers to rain showers forecast for most of the selected parts of the country.
- India reinstates wheat import duty.
- South African's total maize production to hit second largest harvest since 1980/81.
- Brazilian beef exports take a hit amid scandal.

Exchange Rates

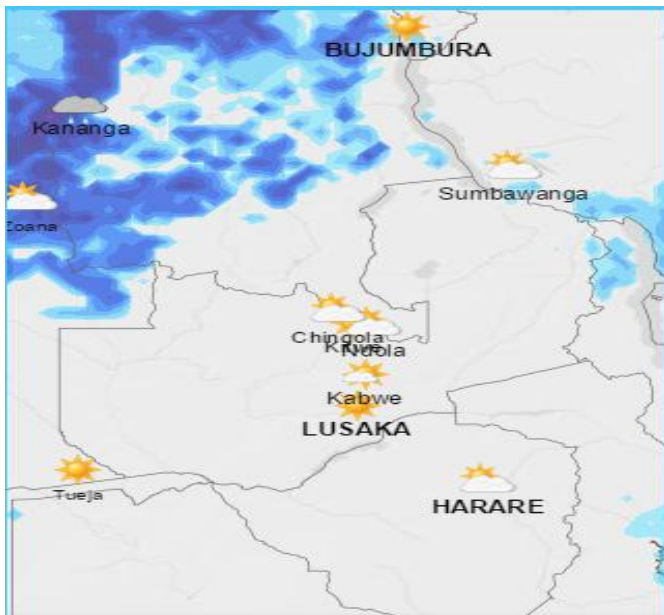
CURRENCY	03/04/2017						27/03/2017					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
FNB	9.5980	9.7920	0.7200	0.7350	12.0440	12.2880	9.4400	9.6300	0.7690	0.7840	11.8280	12.0660
ZANACO	9.5840	9.7660	0.7145	0.7281	12.0255	12.2539	9.4415	9.6285	0.7651	0.7803	11.8482	12.0828
Bank of Zambia	9.6273	9.6767	0.7211	0.7259	11.9995	12.0658	9.5107	9.5601	0.7627	0.7672	11.8703	11.9348

Parity Prices

Domestic Import Parity Prices as at 31/04/2017					
US\$/ZAR=13.39 US\$/ZMW=9.792					
Parity Prices		U\$/ZMW	Maize	Soya	Wheat
Lusaka		9.792	319.56	548.91	496.79
Town	Ex-Lusaka freight (ZMW)	\$	\$	\$	\$
Chipata	275	28.08	347.64	576.99	524.87
Mkushi	225	22.98	342.54	571.89	519.77
Ndola	250	25.53	345.09	574.44	522.32
Kitwe	250	25.53	345.09	574.44	522.32

Weather Forecast

The table below summarizes the weather forecast for some selected towns for the period 5th to 11th April, 2017.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Light rain showers and rain showers are forecast for the 5th/10th respectively. ➤ The rest of the period is expected to have fair to partly cloudy skies on average. ➤ Average daily Temps: 17-26°C
Mkushi	<ul style="list-style-type: none"> ➤ Rain showers are forecast for the 5th. ➤ The rest of the period is expected to have clear to cloudy skies on average. ➤ Average daily Temps: 16-26°C
Kabwe	<ul style="list-style-type: none"> ➤ Light rain showers forecast for the 8th. ➤ The rest of the period is expected to have clear to cloudy skies. ➤ Average daily Temps: 16-25°C

Lusaka	<ul style="list-style-type: none"> ➤ Light rain to rain showers forecast for the 5th. ➤ The rest of the period is expected to have clear to partly cloudy skies on average. ➤ Average daily Temps: 16-25°C
Mazabuka	<ul style="list-style-type: none"> ➤ Light rain showers to rain showers are forecast for the 5th/6th/7th. ➤ The rest of the period is expected to mostly have clear skies. ➤ Average daily Temps: 18-27°C
Choma	<ul style="list-style-type: none"> ➤ Normal rain is forecast for 5th/7th while the 8th is expected to have light rain showers. ➤ The rest of the period is expected to have clear skies on average. ➤ Average daily Temps: 15-25°C
Livingstone	<ul style="list-style-type: none"> ➤ Rain showers are forecast for the 7th while the 5th/6th are expected to have light rain and light rain showers respectively. ➤ The rest of the period is expected to mostly have clear skies. ➤ Average daily Temps: 16-29°C
Mongu	<ul style="list-style-type: none"> ➤ Normal rain is forecast for the 11th while rain showers are expected on parts of the 5th/6th/7th/11th with. ➤ The rest of the period is expected to have clear to partly cloudy skies. ➤ Average daily Temps: 18-30°C.
Mansa	<ul style="list-style-type: none"> ➤ No rainfall activity is forecast for the whole period. ➤ The whole period is expected to have clear to cloudy skies.

	<ul style="list-style-type: none"> ➤ Average daily Temps: 18-26°C.
Kasama	<ul style="list-style-type: none"> ➤ Light rain and rain showers are forecast for 9th/10th while Light rain showers are expected on parts of the 6th/10th/11th. ➤ Average daily Temps: 17-24°C.
Solwezi	<ul style="list-style-type: none"> ➤ Light rain showers and rain showers are forecast for 7th/11th. ➤ The rest of the period is expected to have fair to cloudy skies on average. ➤ Average daily Temps: 15-26°C.
Chipata	<ul style="list-style-type: none"> ➤ Light rain showers to rain showers forecast for 5th to 9th. ➤ The rest of the period will have clear to partly cloudy skies on average. ➤ Average daily Temps: 18-25°C.

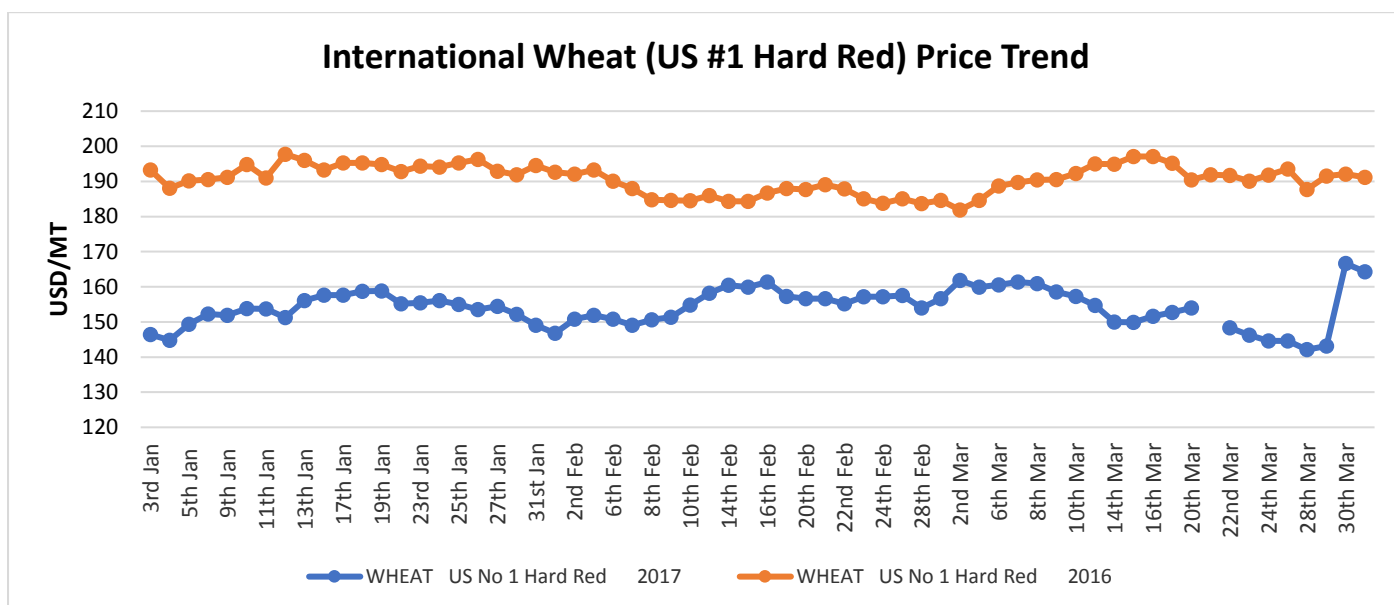
Source: Norway meteorological Institute on 03/04/17

Wheat Highlights

- India reinstates wheat import duty. Farmers are expecting a bumper crop for wheat. Expecting record food grain (Wheat) production this year (July, 2016-June, 2017), a 10% import duty on wheat and pigeon pea was imposed last week Tuesday with immediate effect. (Source: Blacksea grain)
- Export prices for Russian milling wheat closed the week down another \$1 at \$190-192/MT (FOB) for 12.5%-protein wheat and \$186-188/MT FOB for 11.5% wheat in the Novorossiysk port for April-May delivery. The prices were pressured by downward trends in the world. Pressure on Russian wheat also came from the 7 Russian wheat cargoes that were detained in Egyptian ports for quality complaints. (Source: Blacksea grain)

International Price trends

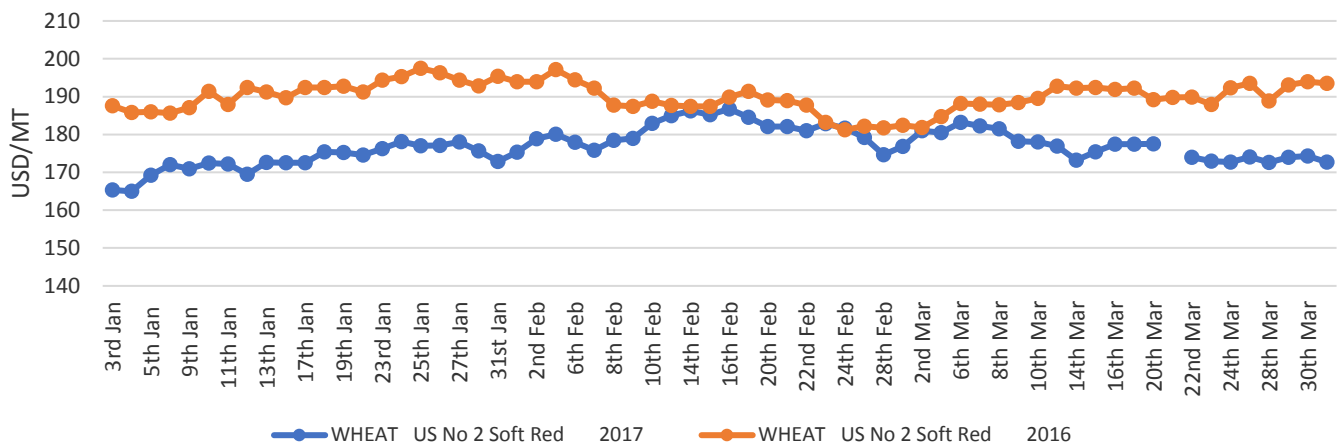
The Safex international soft red and hard red wheat prices averaged US\$ 172.69/MT and US\$ 164.33/MT the week ending 31st March, 2017, respectively. All prices are FOB gulf.



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International Wheat(US #2 Soft Red) Price Trend



Source: Safex

Soya Beans

Highlights

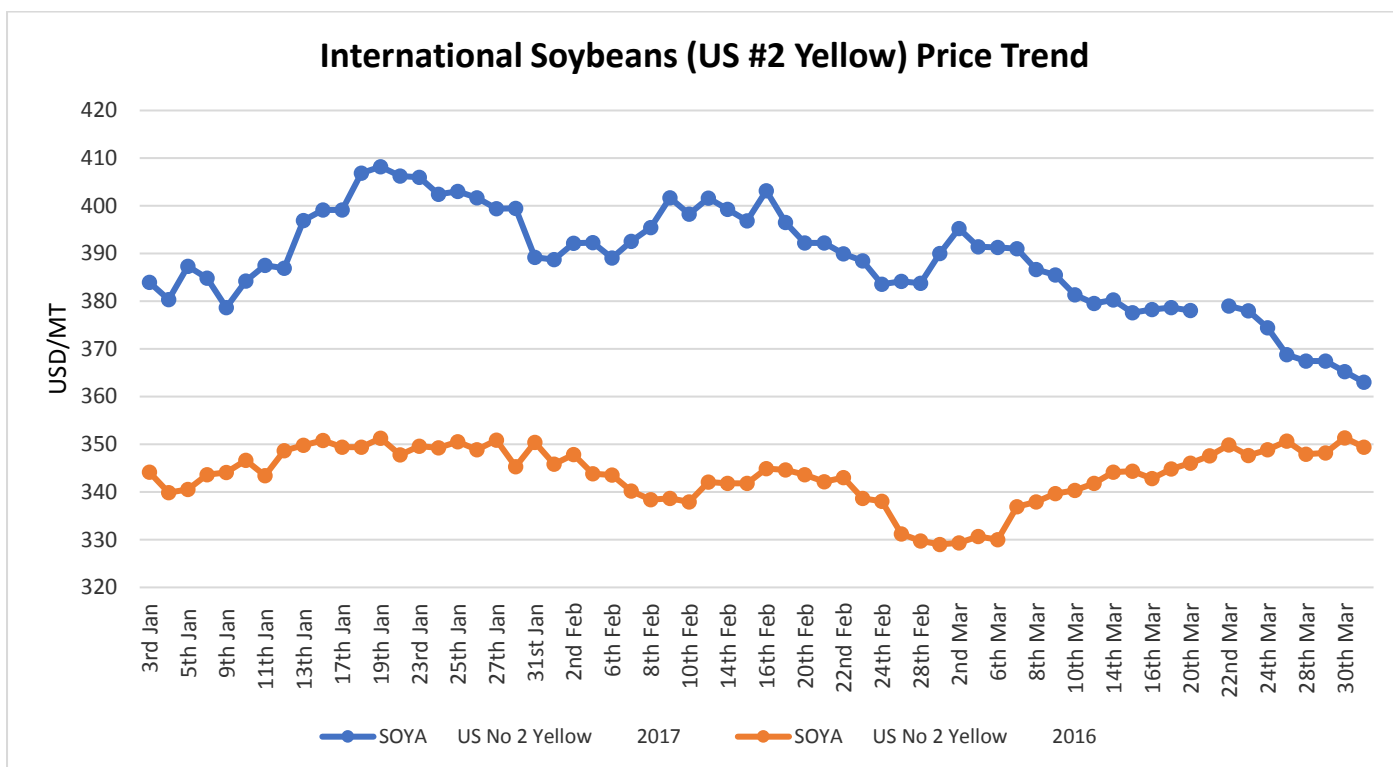
- Soybean production to hit new record next year, IGC says. Global cereal production will fall only slightly next season, with massive stocks keeping supply heavy, while soybean output is expected to hit new record highs. In its first full forecast for 2017-18 grain production, the IGC saw soybean production hitting record levels thanks to rising sowings (*Source: Agrimoney*)
- This week, the National Crop Estimate indicated that South Africa's soybean crop be the biggest on record, estimated at 1.16 million tonnes. This is 9% higher than the previous estimate and 57% higher than the previous season. (*Source: Agbiz*)
- 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. USDA 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. (*Source: Agrimoney*)
- Soybeans ease for 2nd day, hit 5-month low on supply growth outlook. CBOT wheat (and corn) futures ease ahead of USDA report. On March 30, CBOT soybeans slid for a second session on, falling to a five-month low as expectations of higher U.S. plantings and a record Brazilian crop weighed on the market. Wheat (and Corn) also lost ground as investors squared positions ahead of a key report on Friday. (*Source: Reuters*)

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International Price trends

International spot prices for US No. 2 yellow soya beans on Safex averaged US\$ 363.02/MT in the week ending 31st March, 2017. Prices are FOB gulf.



Source: Safex

Maize

Highlights

- FRA to be turned into a Maize Exporting Agency to Earn Zambia Forex. President Lungu has said that Government intends to make the Food Reserves Agency (FRA) a procurement agency that will be able to supply maize to other countries, adding that this will enable the country earn foreign exchange through maize exports. (Source: Lusaka times)
- The season South African's total maize production is estimated at 14.3 million tonnes, 3% higher than the previous estimate and an 84% increase from the previous season. This is the second largest production estimate on record after the 1980/81 bumper crop of 14.7 million tonnes.

Specifically, white and yellow maize production estimates were revised up by 2% and 4% from the previous estimates to 8.5 million tonnes and 5.8 million tonnes, respectively. This is largely on the back of an increase in area plantings, as well as expected higher yields on the back of favourable weather conditions. (Source: Agbiz)

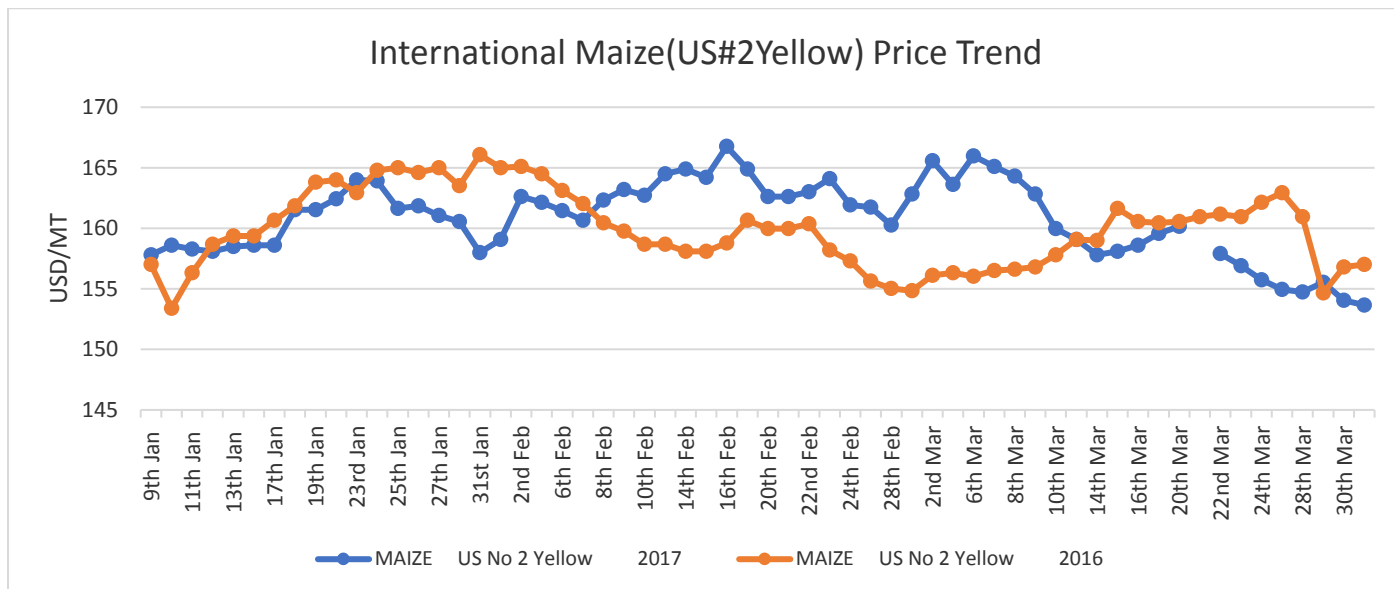
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- South African corn production will fall back sharply next year, as falling prices weigh on planting, US officials said. After two years of drought-reduced production, followed by the current bumper harvest, the crop will fall back to more normal levels next year. It's expected that lower local corn price levels will put downward pressure on the area to be planted with corn later in 2017. (Source: Agrimoney)

International Price trends

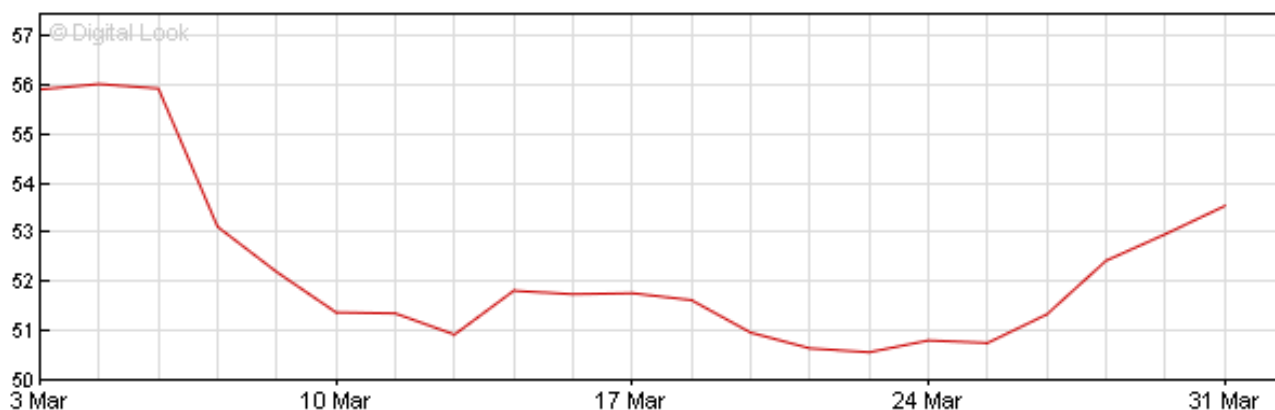
International maize spot prices traded at an average of US\$153.66/MT during the week ending 31st March, 2017. All prices are fob gulf.



Source: Safex

Crude oil Highlights

- Brent Crude oil price increased by 0.53% to reach US\$ 53.66 per barrel as of 31st March, 2017.



Source: BBC

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Beef

Highlights

- This week the SAFEX beef market gained ground owing to an increase in traded volumes at the stock exchange, as well as a decline in slaughtering activity. The spot price was up by 1% from the previous day's level, averaging R44.25 per kilogramme this week. There is some bullish sentiment in the beef market which comes from softer slaughtering activity as farmers continue restocking their herds. This follows after recent rainfall led to a notable improvement in grazing fields, as well as relatively lower feed costs. (Source: Agbiz report)
- Brazilian beef exports take a hit as scandal breaks. Scandal at Brazilian beef packing plants has turned the global beef trade upside down. The other week's news that Brazilian officials had raided multiple meat processing facilities over quality scandals has certainly created a stir for world beef and poultry trade. The raids stemmed from an ongoing 2-year investigation called "Operation Weak Flesh" of key Brazilian packers BRF SA and JBS SA in which individuals allegedly provided bribes to governmental health inspectors. Source: Beef Magazine)

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