



THE WEEKLY AGRO WATCH



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18th April, 2017 Vol.4. No.8

Highlights

- Normal to heavy rain forecast for most of the selected parts of the country.
- Kenyan millers refuse to bring down mealie meal cost despite tax relief.
- Europe's wheat reserves shrinking to lowest in more than a decade.
- Grain futures tumbled due to larger-than-expected estimates for global stocks.

Exchange Rates

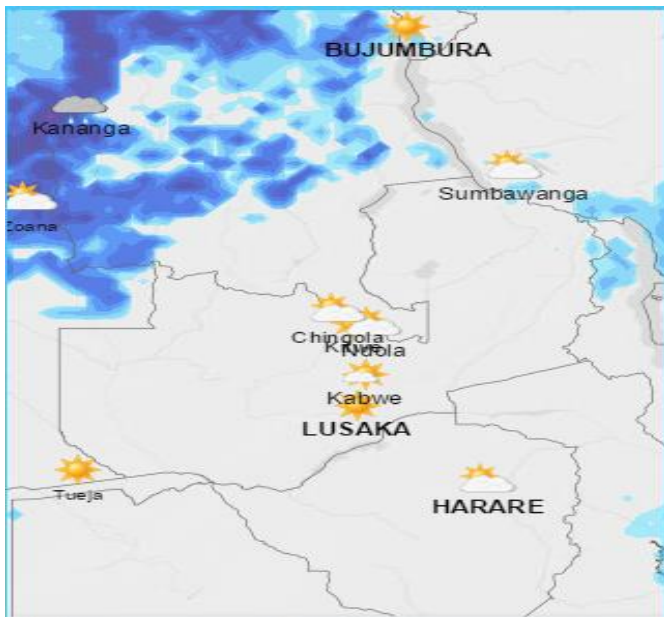
CURRENCY	18/04/2017						10/04/2017					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
FNB	9.3149	9.5155	0.6954	0.7142	11.6898	11.9933	9.4300	9.6200	0.6870	0.7010	11.6850	11.9210
ZANACO	9.3326	9.5174	0.6983	0.7122	11.7306	11.9629	9.4304	9.6096	0.6804	0.6939	11.6829	11.9048
Bank of Zambia	9.4081	9.4581	0.6923	0.6970	11.7883	11.8538	9.4638	9.5127	0.6857	0.6899	11.7313	9.4638

Parity Prices

Domestic Import Parity Prices as at 13/04/2017					
US\$/ZAR=13.55 US\$/ZMW=9.52					
Parity Prices		U\$/ZMW	Maize	Soya	Wheat
Lusaka		9.52	321.84	546.67	502.19
Town	Ex-Lusaka freight (ZMW)	\$	\$	\$	\$
Chipata	275	28.89	350.73	575.56	531.08
Mkushi	225	23.63	345.47	570.30	525.82
Ndola	250	26.26	348.10	572.93	528.45
Kitwe	250	26.26	348.10	572.93	528.45

Weather Forecast

The table below summarizes the weather forecast for some selected towns for the period 19th to 26th April 2017.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Normal rain to rain showers forecast from 21st-26th while light showers are expected on the 20th. ➤ The rest of the period is expected to have clear to partly cloudy skies. ➤ Average daily Temps: 16-27°C
Mkushi	<ul style="list-style-type: none"> ➤ Heavy rain forecast for the 22nd while normal rain showers are expected on 21st/23rd. ➤ The rest of the period is expected to have clear to cloudy skies on average. ➤ Average daily Temps: 16-27°C
Kabwe	<ul style="list-style-type: none"> ➤ Normal rain forecast for the 21st/23rd. ➤ The rest of the period is expected to have clear to cloudy skies.

	<ul style="list-style-type: none"> ➤ Average daily Temps: 16-26°C
Lusaka	<ul style="list-style-type: none"> ➤ No rainfall activity forecast for the whole period. ➤ The whole period is expected to have partly cloudy to cloudy skies on average. ➤ Average daily Temps: 15-25°C
Mazabuka	<ul style="list-style-type: none"> ➤ No rainfall activity forecast for the whole period. ➤ The whole period is expected to have clear to cloudy skies. ➤ Average daily Temps: 16-27°C
Choma	<ul style="list-style-type: none"> ➤ Normal rain forecast for 23rd while light rain to light rain showers are expected on 19th/24th respectively. ➤ The rest of the period is expected have clear to cloudy skies on average. ➤ Average daily Temps: 14-25°C
Livingstone	<ul style="list-style-type: none"> ➤ Rain showers forecast for the 22nd while light rain showers are expected on the 20th/23rd. ➤ The rest of the period is expected to have fair to cloudy skies on average. ➤ Average daily Temps: 17-27°C
Mongu	<ul style="list-style-type: none"> ➤ Normal rain forecast for the 21st/22nd/23rd. ➤ The rest of the period is expected to have fair to cloudy skies. ➤ Average daily Temps: 18-28°C.
Mansa	<ul style="list-style-type: none"> ➤ Normal rain and heavy rain forecast for 20th/21st/22nd while the 23rd is expected to have light rain showers.

	<ul style="list-style-type: none"> ➤ The rest of the period is expected to have clear to cloudy skies. ➤ Average daily Temps: 18-27°C.
Kasama	<ul style="list-style-type: none"> ➤ Normal rain forecast for 20th/21st/22nd. ➤ The rest of the period is expected to have clear to cloudy skies. ➤ Average daily Temps: 17-25°C.
Solwezi	<ul style="list-style-type: none"> ➤ Heavy rain forecast for 21st/23rd while normal rain is expected on 19th/20th/21st/22nd/23rd/25th/26th. ➤ The rest of the period is expected to have fair to cloudy skies. ➤ Average daily Temps: 15-27°C.
Chipata	<ul style="list-style-type: none"> ➤ Normal rain is forecast for 19th while heavy rain showers and rain showers are expected on 20th/21st respectively. ➤ The rest of the period is expected to have clear to cloudy skies. ➤ Average daily Temps: 17-26°C.

Source: Norway meteorological Institute on 17/04/17

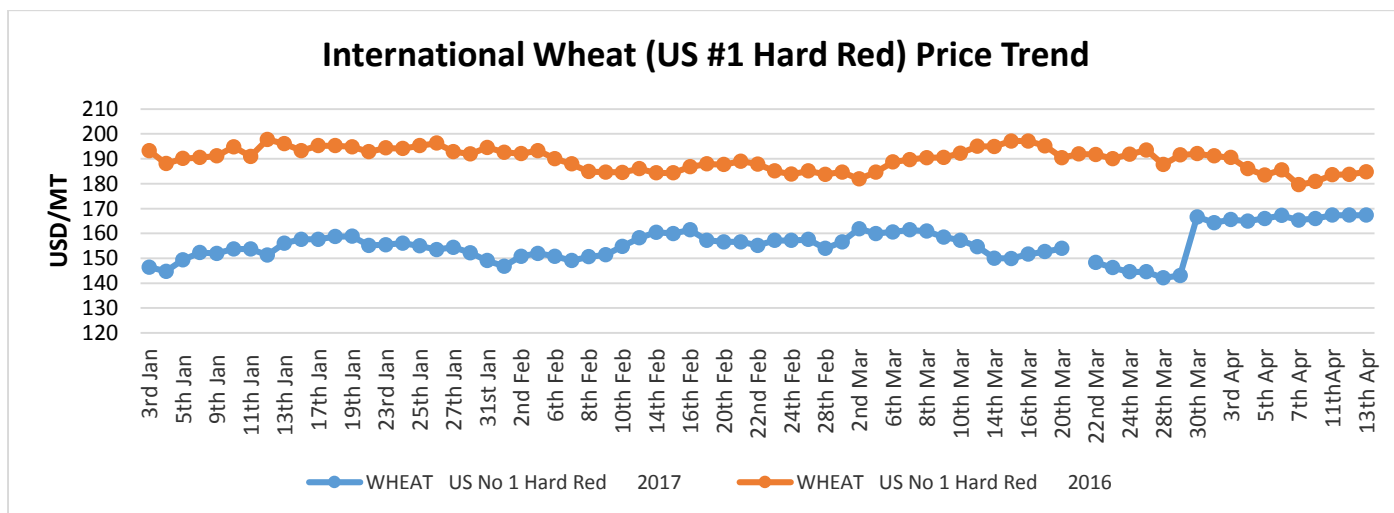
Wheat

Highlights

- During the week of March 30 - April 06, CBOT wheat prices strengthened by 0.52%. The publication of WASDE report provoked CBOT price growth. Experts of the department estimated wheat planted area in the USA at record low 46.059 million acres (8.22% lower than 2016). Winter wheat planted area will reach the second all-time lowest level. (Source: Black sea grain)
- Wheat prices in Europe gained support from worries over dry weather threatening this summer's crop, as well as evidence of smaller-than-expected stocks, with London futures hitting their highest in nearly three years. (Source: Agrimoney)
- The USDA in its April 11 WASDE report raised its forecast for 2017 U.S. wheat carryover by 3% from its March forecast to near a 30-year high. The USDA forecast the carryover of wheat on June 1, 2017, at 1.159 billion bushels, up 30 million bushels from 1.129 billion bushels forecast last month and up 183 million bushels, or 19%, from 976 million bushels in 2016. (Source: Black sea grain)
- Europe is likely to end the wheat season with the smallest stockpiles in 13 years. Inventories of wheat held in the European Union will probably plunge 37% to 10.1 million metric tons at the end of June. The combination of a poor harvest, strong consumption and higher-than-expected exports is draining stockpiles, which will probably stay low next season. (Source: Black sea grain)

International Price trends

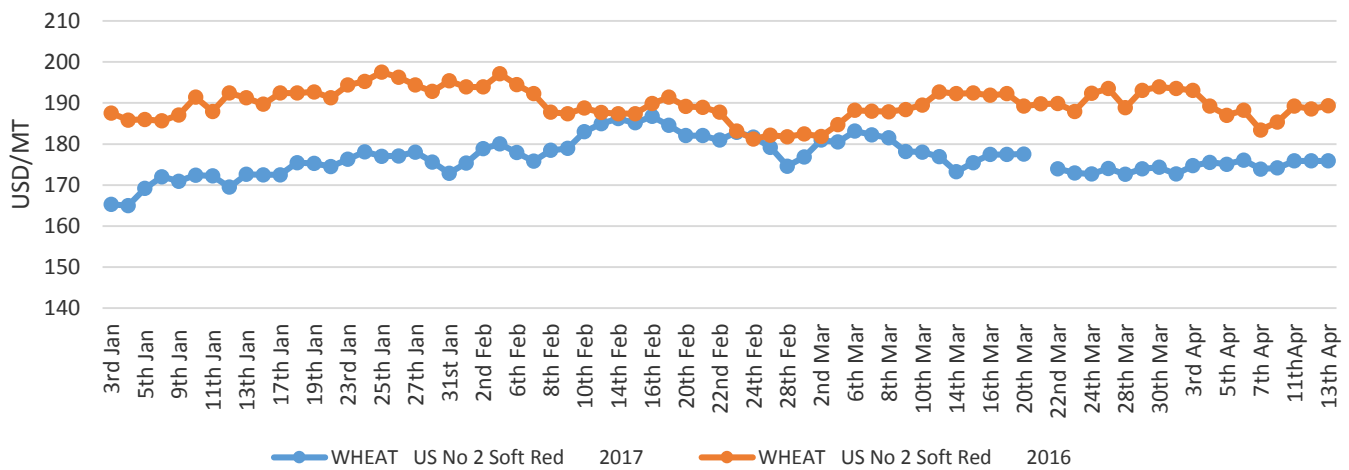
The SAFEX international soft red and hard red wheat prices averaged US\$175.91/MT and US\$ 167.36/MT the week ending 14th April 2017, respectively. All prices are FOB gulf.



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International Wheat(US #2 Soft Red) Price Trend



Source: SAFEX

Soya Beans

Highlights

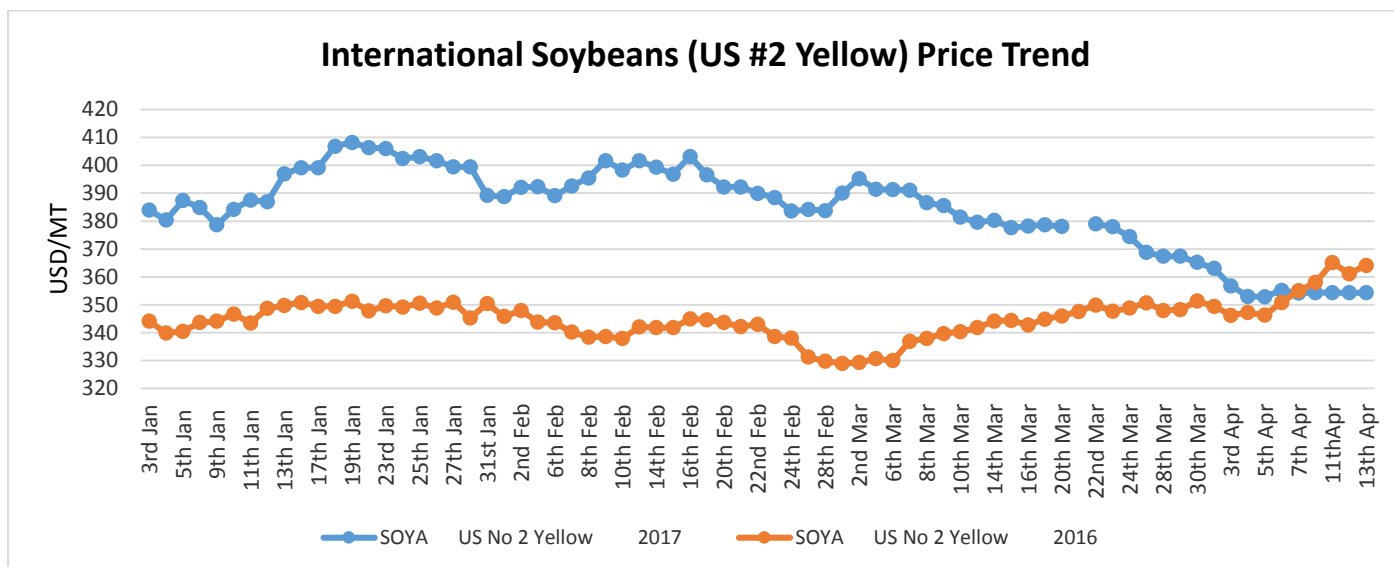
- The USDA, in a monthly report, pegged global soybean ending stocks at 87.41 million tonnes, up from 82.82 million in March. Analysts had expected an increase only to 83.91 million, according to a Reuters' poll. (Source: Reuters)
- Grain futures tumbled as US officials issued larger-than-expected estimates for global stocks. In the latest world agricultural supply and demand estimates from USDA, lifted global ending stocks numbers across the board. (Source: Agrimoney)
- Brazil is faced with weak international prices and a record harvest. Brazil's soy farmers have been hoarding their crop in hopes the market will rebound in the coming months, a strategy analysts warn could go badly. Soybean prices in Brazil have fallen steadily since the middle of last year, when producers were booking advance sales for the 2016/17 harvest, pressured by an appreciation in the local currency and lower CBOT prices. (Source: Agrimoney)
- Indian soybean futures rose for a fourth straight session on Thursday and ended the week about 3.56% higher, helped by tighter supplies and higher demand. The April soybean contract closed 1.4% higher at \$45.61/100 kg on the National Commodity & Derivatives Exchange Ltd (NCDEX). (Source: Reuters)
- CBOT soybean futures rose on Wednesday to move away from a one-year low hit the session before when the U.S. government lifted its estimates for global supplies. (Source: Reuters)

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International Price trends

International spot prices for US No. 2 yellow soya beans on SAFEX averaged US\$ 354.3/MT in the week ending 14th April 2017. Prices are FOB gulf.



Source: SAFEX

Maize

Highlights

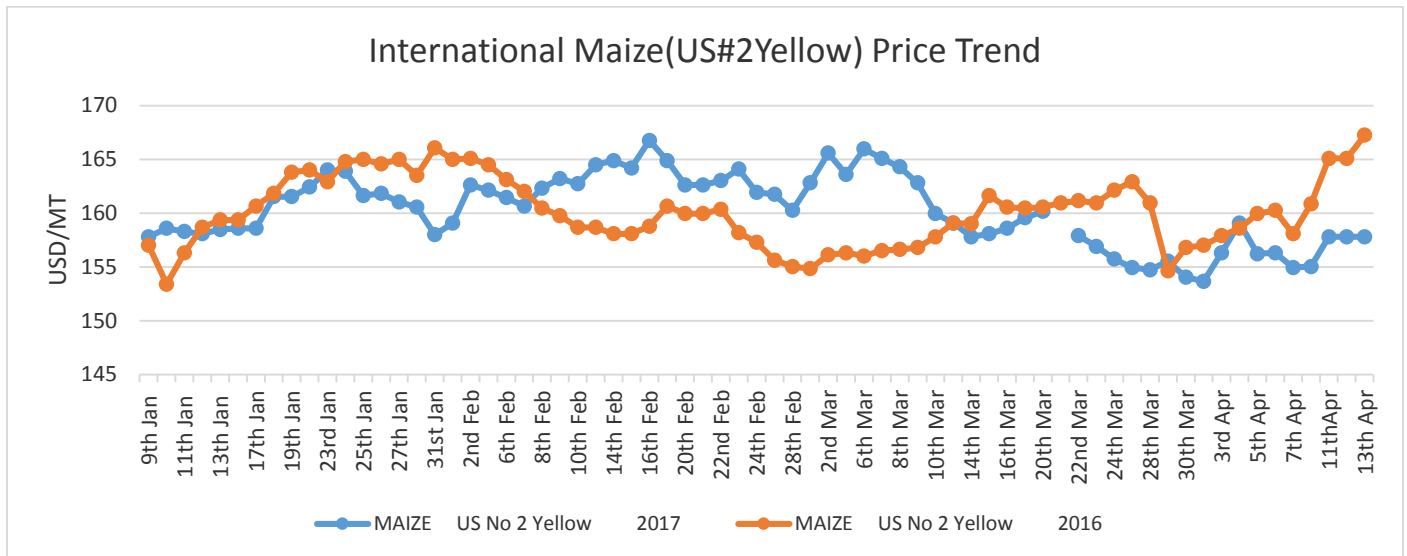
- Kenyan millers have refused to bring down cost of unga (Mealie meal) despite tax relief. Millers are yet to pass on to consumers the benefits of tax relief granted to them by the Government, with the price of maize flour still out of reach for many ordinary Kenyans. (source: African news)
- May corn may break resistance at \$3.70-1/2 per bushel, and rise towards the next resistance at 3.74-1/2 as suggested by its wave pattern. (Source: Times of India)
- The pace of Russian corn exports slowed down to some degree in February 2017. 430.3 KMT was exported from the country that month, or 37.5% less than in February 2016. Nevertheless, Russian corn exports in the first half of the current season are far ahead of the year-ago level. (Source: Black sea grain)
- Indian maize remains weak on low demand. In restricted activity, maize prices eased further by \$0.31 per 100kg at the wholesale grains market last Thursday due to muted demand from consuming industries. In the national capital, maize fell by another \$0.31 to \$23.27-24.42 per 100kg. (Source: Black sea grain)

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International Price trends

International maize spot prices traded at an average of US\$157.8/MT during the week ending 14th April 2017. All prices are fob gulf.



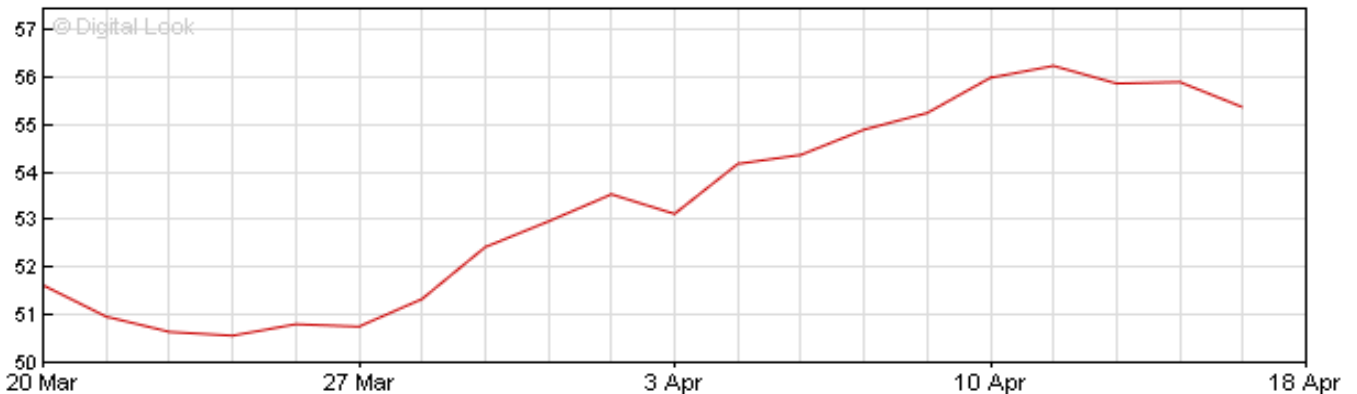
Source: SAFEX

Crude oil Highlights

- Oil prices fell on Tuesday last week on news that U.S. shale oil output was expected to post the biggest monthly rise in more than two years, fuelling concerns that U.S. production growth is undermining OPEC-led efforts to rein in oversupply. (Source: Investing)

International Price trends

Brent Crude oil price reduced by 0.43% to reach US\$ 54.93 per barrel as of 18th April 2017.



Source: BBC

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Beef

Highlights

- The SAFEX beef market saw another quiet session, with prices unchanged during Thursday's session, closing at R46.00 per kilogramme. This was largely on the back of reduced activity at the stock exchange. (Source: Agbiz)

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