



THE WEEKLY AGRO WATCH



Zambia National Farmers' Union, Farmers Village, Showgrounds P.O Box 30395 Tel 260-1-252649 Fax: 260-1-252648 E-mail: znfu@zamnet.zm web: www.znfu.org.zm

30th May, 2017 Vol.4. No.14

Highlights

- No rain but Clear to cloudy skies forecast in all selected parts of the country
- Kenya pays three times for SA maize enriching wealthy importers
- China fears send soybean futures to 14-month low
- South Africa imported 32% of the seasonal wheat import forecast

Exchange Rates

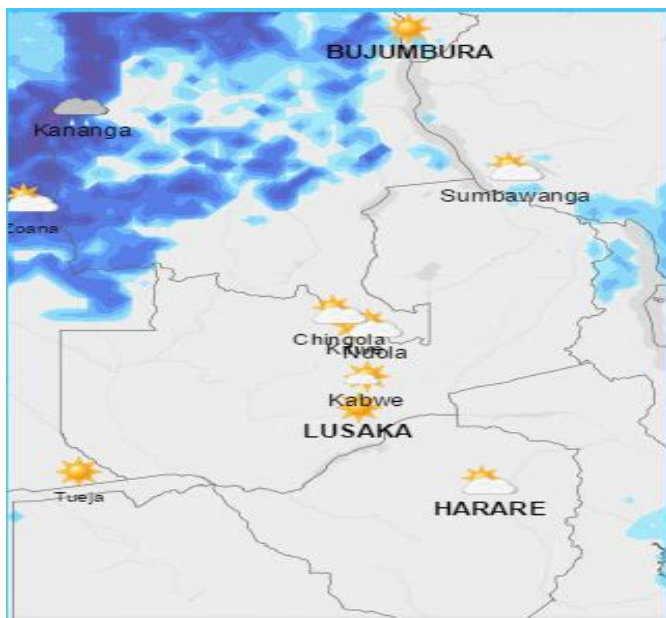
CURRENCY	/05/2017						22/05/2017					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
FNB	9.1264	9.3240	0.6993	0.7177	11.6664	11.9705	9.2405	9.4399	0.6965	0.7149	12.0115	12.3227
ZANACO	9.1382	9.3118	0.7028	0.7161	11.7124	11.9350	9.1976	9.3724	0.6872	0.7002	11.9114	12.1377
Bank of Zambia	9.2099	9.2599	0.6940	0.6981	11.8043	11.8703	9.2936	9.3434	0.7007	0.7052	12.0948	12.1624

Parity Prices

Domestic Import Parity Prices as at 16/05/2017					
US\$/ZAR=13.46 US\$/ZMW=9.324					
Parity Prices		U\$/ZMW	Maize	Soya	Wheat
Lusaka		9.324	311.97	540.89	504.12
Town	\$	\$	\$	\$	\$
Chipata	275	29.51	341.43	555.90	556.93
Mkushi	225	24.14	336.06	550.53	551.56
Ndola	250	26.82	338.74	553.21	554.24
Kitwe	250	26.82	338.74	553.21	554.24

Weather Forecast

The table below summarizes the weather forecast for some selected towns for the period 29th May to 5th June, 2017.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ No rainfall activity forecast for the whole period. ➤ Clear to cloudy skies are expected. ➤ Average daily Temps: 12-28°C
Mkushi	<ul style="list-style-type: none"> ➤ No rainfall activity forecast for the whole period. ➤ Clear to cloudy skies are expected. ➤ Average daily Temps: 13-27°C
Kabwe	<ul style="list-style-type: none"> ➤ No rainfall activity forecast for the whole period. ➤ Clear to cloudy skies are expected for the whole period ➤ Average daily Temps: 13-25°C
Lusaka	<ul style="list-style-type: none"> ➤ No rainfall activity forecast for the whole period. ➤ Clear skies are expected for the whole period. ➤ Average daily Temps: 12-24°C

Mazabuka	<ul style="list-style-type: none"> ➤ No rainfall activity forecast for the whole period. ➤ Clear to cloudy skies are expected for the whole of the period. ➤ Average daily Temps: 13-26°C
Choma	<ul style="list-style-type: none"> ➤ No rainfall activity forecast for the whole period. ➤ Clear to cloudy skies are expected for the whole of the period. ➤ Average daily Temps: 11-23°C
Livingstone	<ul style="list-style-type: none"> ➤ No rainfall activity forecast for the whole period. ➤ Clear to cloudy skies are expected for the whole of the period. ➤ Average daily Temps: 13-26°C
Mongu	<ul style="list-style-type: none"> ➤ No rainfall activity forecast for the whole period. ➤ Clear skies and partly cloudy to cloudy skies are expected. ➤ Average daily Temps: 14-29°C.
Mansa	<ul style="list-style-type: none"> ➤ No rainfall activity forecast for the whole period. ➤ Clear skies and partly cloudy to cloudy skies are expected. ➤ Average daily Temps: 15-28°C.
Kasama	<ul style="list-style-type: none"> ➤ No rainfall activity forecast for the whole period. ➤ Clear skies and partly cloudy to cloudy skies are expected. ➤ Average daily Temps: 15-26°C.
Solwezi	<ul style="list-style-type: none"> ➤ No rainfall activity forecast for the whole period. ➤ Clear skies and partly cloudy to cloudy skies are expected. ➤ Average daily Temps: 13-28°C.

- Chipata
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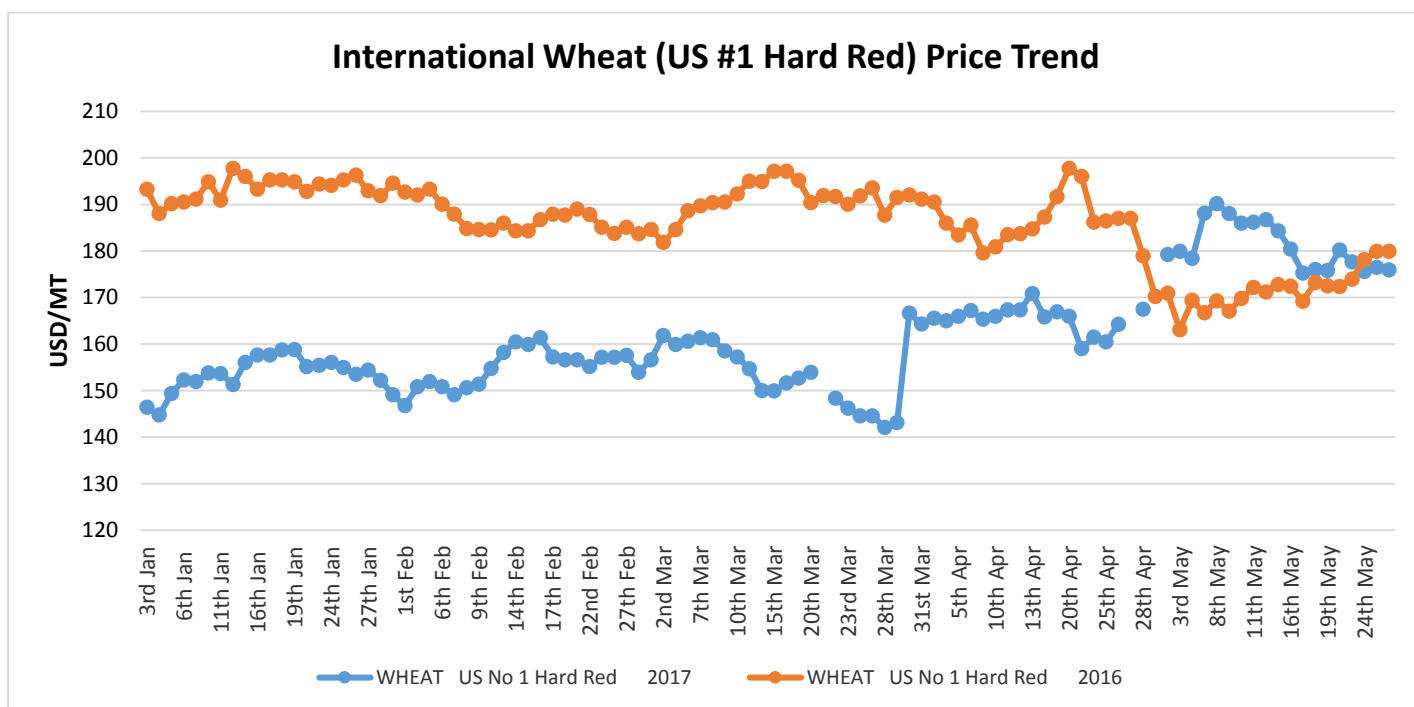
Source: Norway meteorological Institute on 29/05/17

Wheat Highlights

- South Africa imported 17 268 tonnes of wheat in the week ending 19 May 2017, about 95% from Poland and 5% from the Czech Republic. This brought South Africa's 2016/17 total wheat imports to 469 657 tonnes, which is 32% of the seasonal import forecast (1.5 million tonnes). *(Source: Agbiz)*
- There were marginal gains in the wheat market last week, with the spot price up 1% from the previous week, averaging R4 461 tonnes. At the same time, the CBOT wheat gained 1%, averaging US\$200 per tonne with support emanating from fears that expected wet conditions could slow spring wheat plantings and possibly damage winter wheat quality. *(Source: Agbiz)*
- At the Indian National Commodity and Derivatives Exchange, wheat for delivery in June declined by 0.31%, to Rs 1,600 per quintal, with an open interest of 19,490 lots. Similarly, the wheat for delivery in June moved down by 0.25%, to Rs 1,625 per quintal in 8,620 lots. Analysts said offloading of positions by participants, triggered by ample stocks position on higher supplies from producing regions in the physical market against subdued demand from flour mills mainly kept pressure on wheat prices at futures trade. *(Source: DNA)*

International Price trends

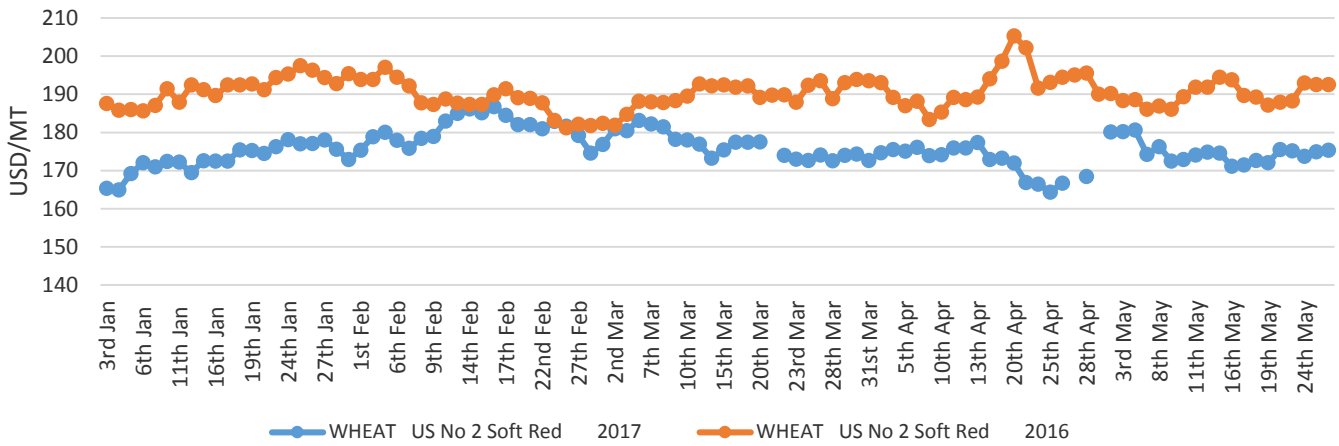
The SAFEX international soft red and hard red wheat prices averaged US\$175.36/MT and US\$175.91/MT the week ending 26th May, 2017 respectively. All prices are fob gulf.



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International Wheat(US #2 Soft Red) Price Trend



Source: SAFEX

Soya Beans

Highlights

- CBOT soybean futures dropped to a more than six-week low on Friday and were poised for a third weekly fall as a deep fall in crude oil prices and plentiful world supplies put pressure on the oilseed. The CBOT most-active soybean contract has declined 1.8% so far this week, the biggest weekly loss in two months. Soybeans hit a low of \$9.36 a bushel on Friday, the weakest since April 11. (Source: Reuters)
- CBOT's July soybean contract closed down 1.4% at \$9.26 ½ a bushel, taking its losses for the week nearly to 3%, and leaving the lot with its weakest close in 14 months. The worries over soybean crushing margins in China, the top importer of the oilseed, just kept on building. Experts said "soybean crush margins in China have been negative and are getting worse. The soy meal market remains extremely weak." "Chinese soybean processing margins remain in negative territory, currently at 65 yuan (\$9) per tonne of soybeans processed. (Source: Agrimoney)
- Last week the domestic soybean market was under pressure with key driving factors being the stronger Rand against the US Dollar, as well as expected large domestic supplies. The spot price was down 3% from the previous week, averaging R4 626 per tonne. At the same time, the Chicago soybean market lost 1% from the previous week, averaging US\$366 per tonne due to large global soybean supplies. (Source: Agbiz)

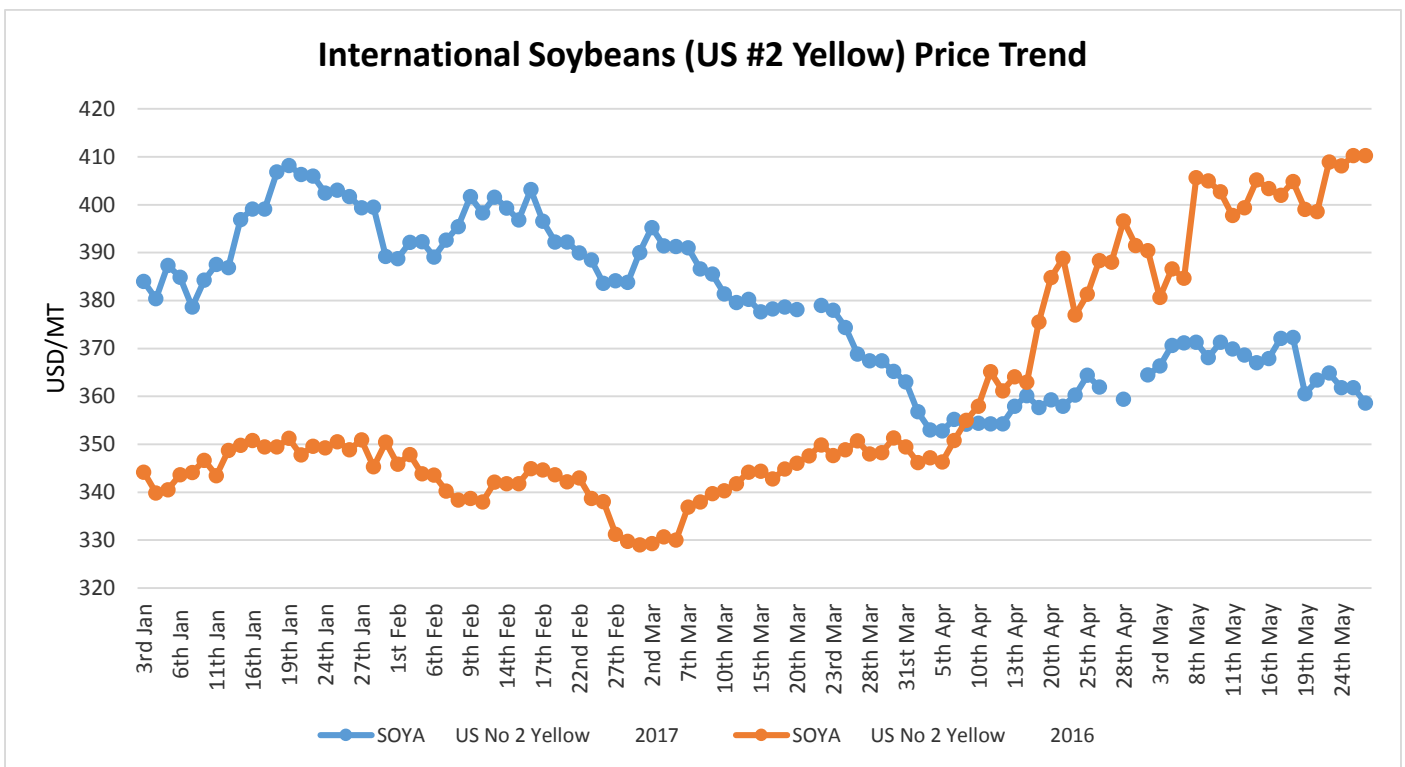
International Price trends

International spot prices for US No. 2 yellow soya beans on SAFEX averaged US\$358.6/MT in the week ending 26th May, 2017. Prices are fob gulf.

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International Soybeans (US #2 Yellow) Price Trend



Source: SAFEX

Maize

Highlights

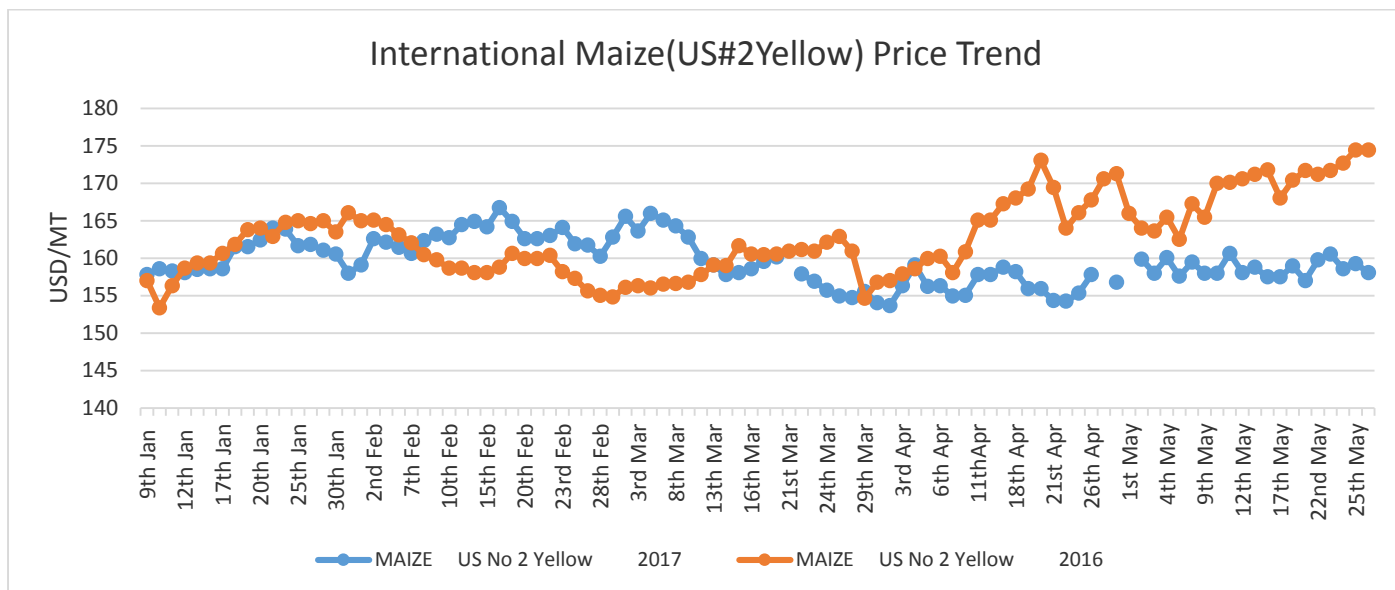
- Kenyan retailers selling 2kg packets of subsidized maize flour above the recommended price risk a U.S.9,700 (Sh1 million) fine. This follows the publication of a gazette notice giving legal backing for State control of sifted maize flour costs. It is the first time the order has been issued under a 2011 law allowing for price control of essential items. (Source: AllAfrica)
- Kenya is paying nearly three times the current price of maize in South Africa, pointing to huge margins for traders but huge costs to the taxpayer. The removal of duty on imported maize only helped to compound the profits raked in by the few wealthy traders who have the financial muscle to engage in large-scale imports. Last week Thursday, average selling prices in South African markets were about Sh14,000 (SA Rand 1,750) per ton, or Sh1,360 per 90kg bag of white maize, market data at closing indicated. (Source: Standard Digital)
- The average SA white maize spot price was R1 788 per tonne last week, down 3% from the previous week. Yellow maize weekly average spot price reached R1 879 per tonne, down 2% from the week before last. Meanwhile, the CBOT maize market gained 2% last week, easing at US\$161 per tonne. (Source: Agbiz)

International Price trends

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International maize spot prices traded at an average of US\$158.09/ton during the week ending 26th May, 2017. All prices are fob gulf.

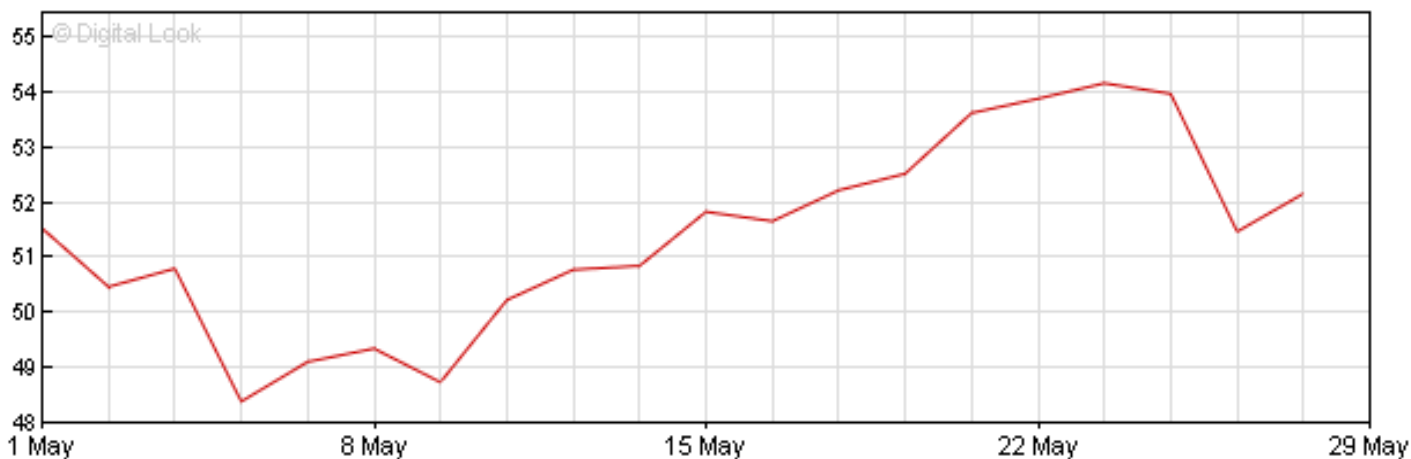


Source: SAFEX

Crude oil Highlights

International Price trends

- Brent Crude oil increased by 0.1% to reach US\$52.21 per barrel as of 29th May, 2017.



Source: BBC

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Beef

Highlights

- This was again another quiet week in the SAFEX beef market, characterised by lower traded volumes. Subsequently, the price remained unchanged from the previous week's level, averaging R46.00 per kilogramme. With that said, the market sentiment in the beef market remains slightly bullish due to easing slaughter activity, as farmers continue to restock their herds after a drought spell. The most recent data from the Red Meat Levy Admin shows that South African farmers slaughtered 238 097 head of cattle in March 2017, which is 6% lower than the corresponding period last year. (Source: Agbiz)

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