



# THE WEEKLY AGRO WATCH



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## Local Commodity Prices

The table below shows average commodity prices as captured by the ZNFU regional offices and 4455 Price information system:

Exchange rate :USD 1= K 5.64:																			
Prices as at 14th Feb,2014/ per metric ton																			
	Mbala		Mansa		Lusaka		Mazabuka		Sesheke		Choma		Kabwe		Mkushi		Ndola/Kitwe		
	K	USD	K	USD	K	USD	K	USD	K	USD	K	USD	K	USD	K	USD	K	USD	
White Maize	1300	230	1350	239	1800	319.1	1750	310.3	1300	230	1500	270	1500	265.96	1600	283.7	1560	276.6	
Wheat		0		0	2200	390.1												0	
Soybeans	2200	390		0	2600	461											2500	443.26	

## Import Parity Prices

Domestic Import Parity Prices as at 14/02/14					
US\$/ZAR=11.08		US\$/ZMK=5.64			
Parity Prices		U\$/ZMK	Maize	Soya	Wheat
Lusaka		5.64	477	793.48	533.18
Town	ZMK	\$	\$/MT	\$/MT	\$/MT
Chipata	275	48.75887	525.7589	842.2389	581.9389
Mkushi	225	39.89362	516.8936	833.3736	573.0736
Ndola	250	44.32624	521.3262	837.8062	577.5062
Kitwe	250	44.32624	521.3262	837.8062	577.5062

## Exchange Rates

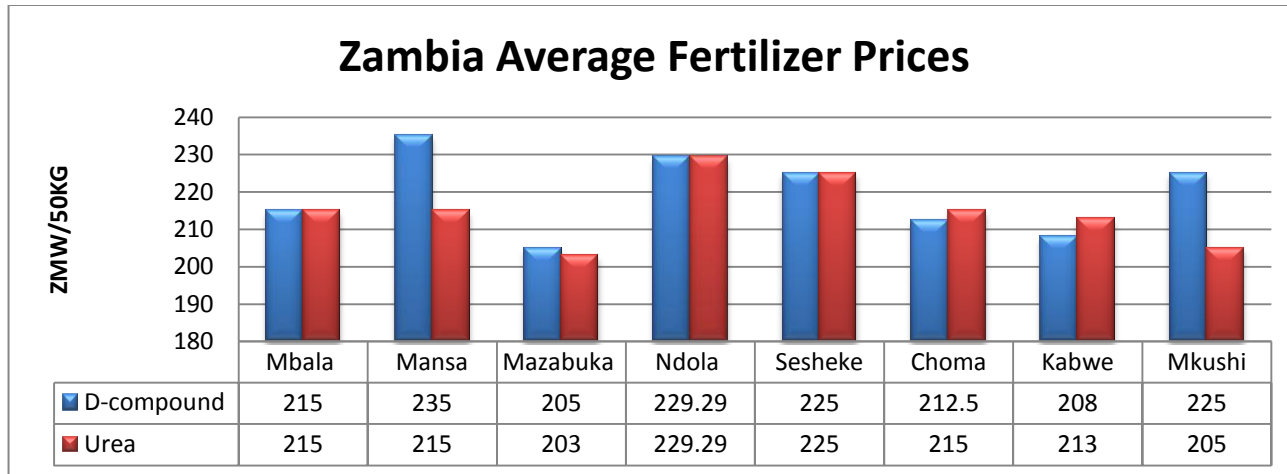
The following are exchange rates compiled from selected Zambian Banks;

CURRENCY	14/02/2014						07/02/2014					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Buying	Selling	Buying	Selling	Buying	Selling	Buying	Selling	Buying	Selling	Buying	Selling
First National Bank (FNB)	5.638	5.752	0.512	0.527	9.385	9.575	5.549	5.661	0.503	0.518	9.063	9.247
Standard Chartered Bank	5.636	5.748	0.5121	0.5223	9.3828	9.5693	5.5525	5.6625	0.5034	0.5133	9.0695	9.2491
ZANACO	5.6337	5.7463	0.5093	0.5223	9.3335	9.5727	5.5495	5.6605	0.5003	0.5131	9.0154	9.2465
Bank of Zambia(Inter-Bank @ 12:30 Hrs)	5.6889	5.6989					5.5961	5.6061				

# Commodity Highlights

## FERTILIZER

The graph below shows fertiliser prices for selected districts as captured by ZNFU regional offices.



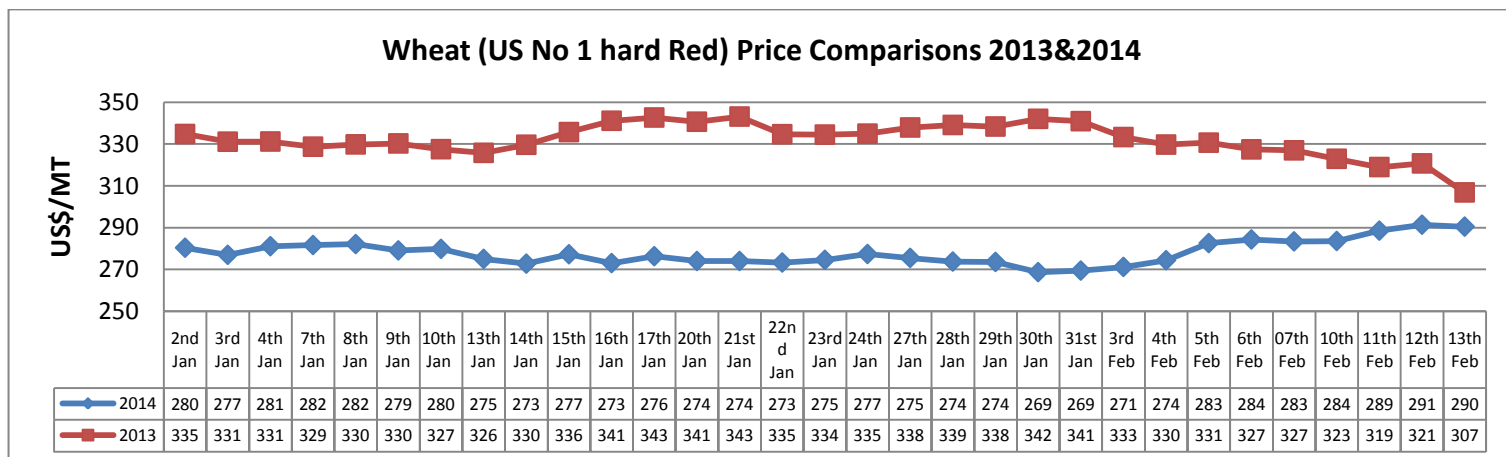
## WHEAT

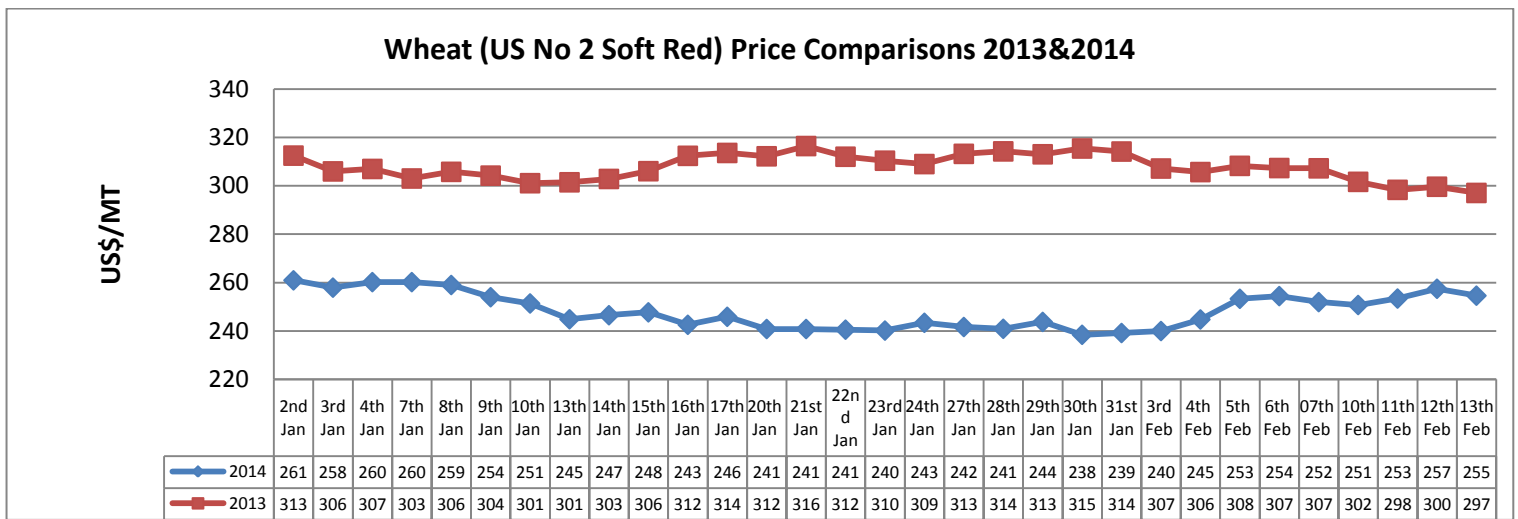
### Highlights

- The International Grains Council forecast the global wheat area for harvest in 2014 at 224.2 Million hectares, 5.5 Million hectares or 2.5% more than the 2013 harvest. The USDA in its February World supply and demand report estimates world production at 711.9 million metric tonnes compared to the 712.7 million metric tonnes projected in January 2014.
- Australian local wheat demand sowed during the past week as ranchers were forced to feed starving cattle in drought stricken areas with wheat diverting the grain away from export markets. Wheat prices have already shot up in Australia's drought-hit areas and the premium over global prices is around three times the normal level paid.
- The Chicago wheat futures price for delivery in March was pegged at US\$220/MT on Friday (14<sup>th</sup> Feb.) morning.
- On the local market, wheat prices remain range bound trading between ZMW2.0-2.4/Kg.

### Price trends

The Safex soft red and hard red average wheat prices for this week were settled at US\$253.66 and US\$287.46/MT respectively compared to the US\$246.36/MT /MT and US\$276.36/MT recorded last week.





Source :Safex

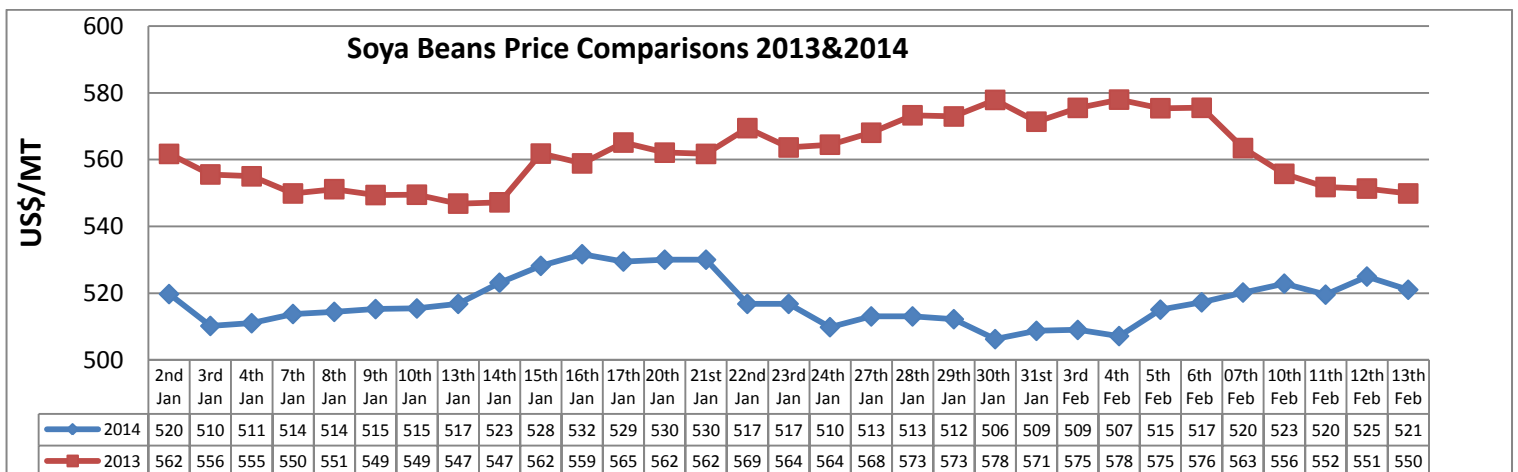
## SOYA BEANS

### Highlights

- South American Soybean production may be as 5 million metric tons less than previously expected because of damage from hot, dry weather in Brazil and Argentina. According to Oil World, Production on the continent may be 3 million to 5 million tons less .
- Soybeans prices in Zimbabwe were quoted between US\$575-600/MT. Soy meal prices were pegged in the range of US\$700-775/MT, this is according to the Zimbabwe CFU newsletter for the week ending 7<sup>th</sup> Feb.
- On Friday the 14<sup>th</sup> February morning , soybeans for March 2014 delivery on CME settled at US\$496/MT.
- On the domestic market Soybeans prices this week averaged ZMW 2.37/KG compared to the ZMW 2.4 /kg recorded last weeks ,this is as captured by the ZNFU4455 price information system.

### Price trends

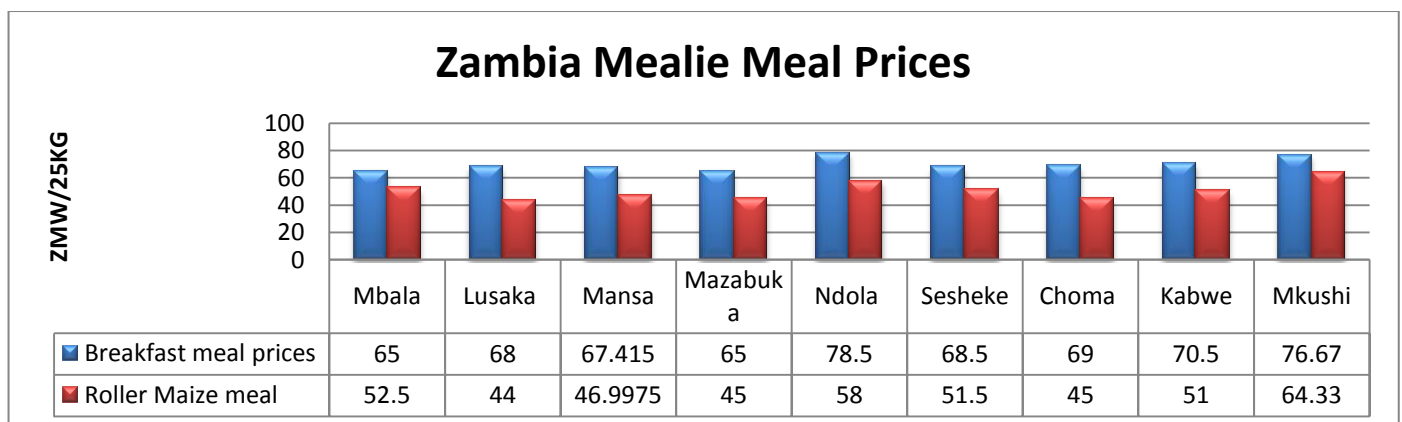
The average price of US No. 2 yellow soya beans on Safex this week hovered around US\$521.72/MT considerably higher than the US\$511.43/MT recorded last week.



Source: safex

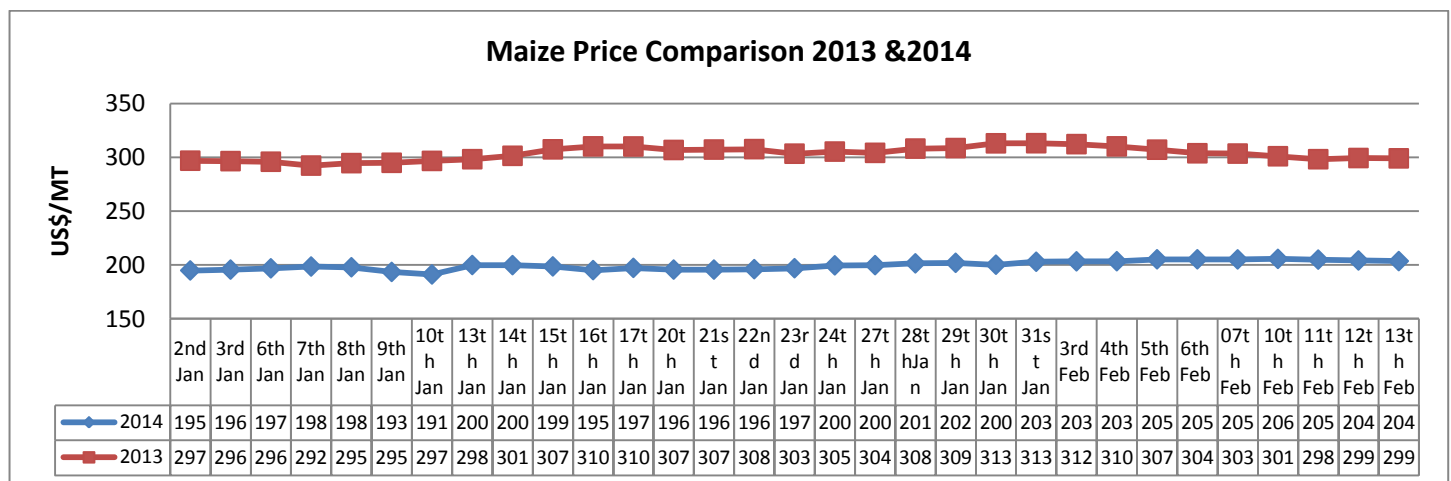
## Maize Highlights

- Over 800 hectares of maize and 300 hectares of pasture have been destroyed by armyworm in Zimbabwe. According to the CFU CALLING, the chief executive of the Plant Protection Research Institute in Zimbabwe revealed that the situation is expected to worsen as the current wet spell continues. The outbreak is almost in every province of the country.
- The European Union is set to approve a new type of genetically modified maize for cultivation despite huge opposition from some member countries. In a vote on Tuesday 11<sup>th</sup>, European affairs ministers allowed for the cultivation of the GMO maize variety TC1507 from the US firm DuPont Pioneer. Only one GM crop - another maize variety - is grown in the EU currently.
- Brazil's government has reduced by 4.6% its maize production estimates for 2013/2014 to 75.47 million tonnes, down from 78.97 million tonnes forecast last month. According to CONAB the government's crop supply agency, the reduction was a result of Conab calculating, for the first time this crop season, an estimate for the second maize crop, which is planted in some areas after soybeans are harvested.
- The Chicago maize futures price for delivery in March settled at US\$ 173/MT on Friday (14<sup>th</sup> Feb.) morning.
- On the local market, commercial maize prices remain robust. Most millers are now purchasing maize from FRA but are still open to private/farmers deliveries. An average maize price of K1.5/KG was recorded for week ending 14<sup>h</sup> Feb. with the highest maize price for the week pegged at ZMW1.8/KG, this is as captured by the ZNFU price information system.
- The graph below shows Mealie meal prices for selected districts as captured by ZNFU regional offices.



## Price trends

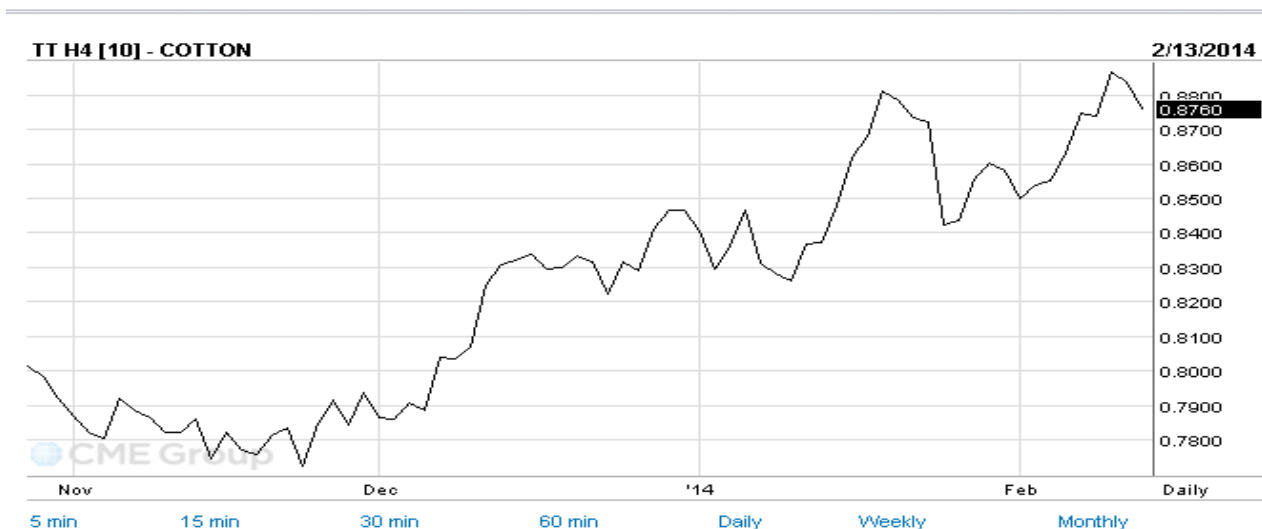
Prices for US No. 2 Yellow maize as compiled from Safex this week settled at US\$204.62/MT slightly higher than last week's average of US\$ 204.27 /MT.



## COTTON

### Highlights

- The Brazilian government has agreed to increase the minimum price for cotton lint, following lobbying from the producers' association, ABRAPA. The revised price is R\$54.00 per arroba of 15 kilos (roughly 68.00 US cents per lb), ex-farm. The previous R\$44.60 per arroba had not been revised since 2003.
- The USDA its latest WASDE report released on 10<sup>th</sup> February cut its 2013/14 global cotton production estimate to 116.67 million bales, a bigger decline than expectations of 117.77 million bales. The USDA also cut its 2013/14 global ending stocks estimate to 96.47 million bales, a bigger decline than expectations of 97.26 million bales.
- China's Cotton Association predicts 2014 China cotton production will fall 5%-10% as cotton planting drops 9% this year to 9.9 million acres after farmers cut cotton plantings in favour of more profitable crops.
- May cotton futures on ICE trader lower in the past week with prices hitting intraday low at 87.35 cents per lb on Thursday 13<sup>th</sup> Feb. cotton future for delivery in may hovered around 88.17 cents per lb on Friday 14<sup>th</sup> Feb. morning.

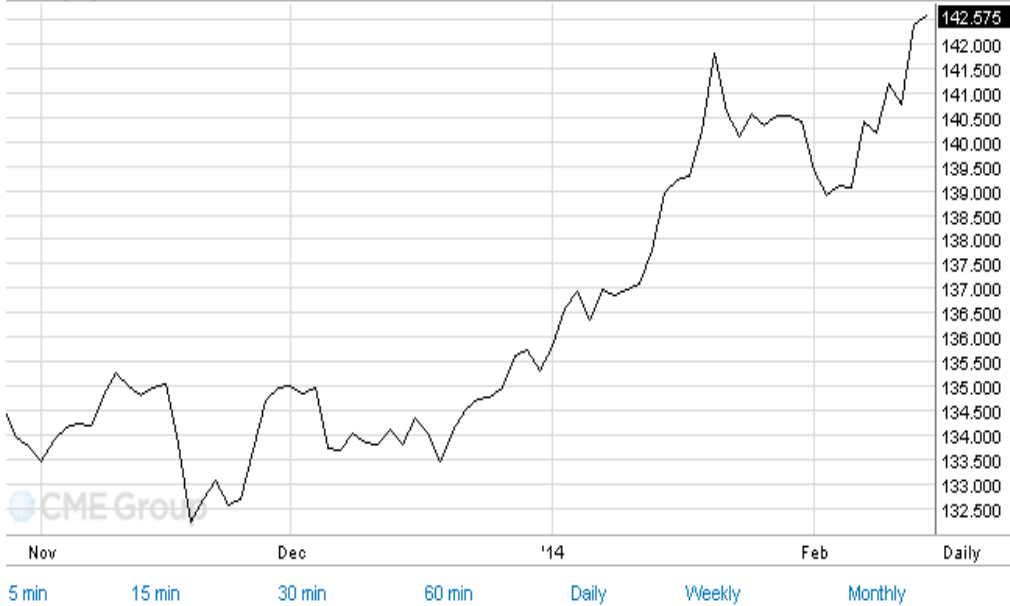


Source: cme

## BEEF

### Highlights

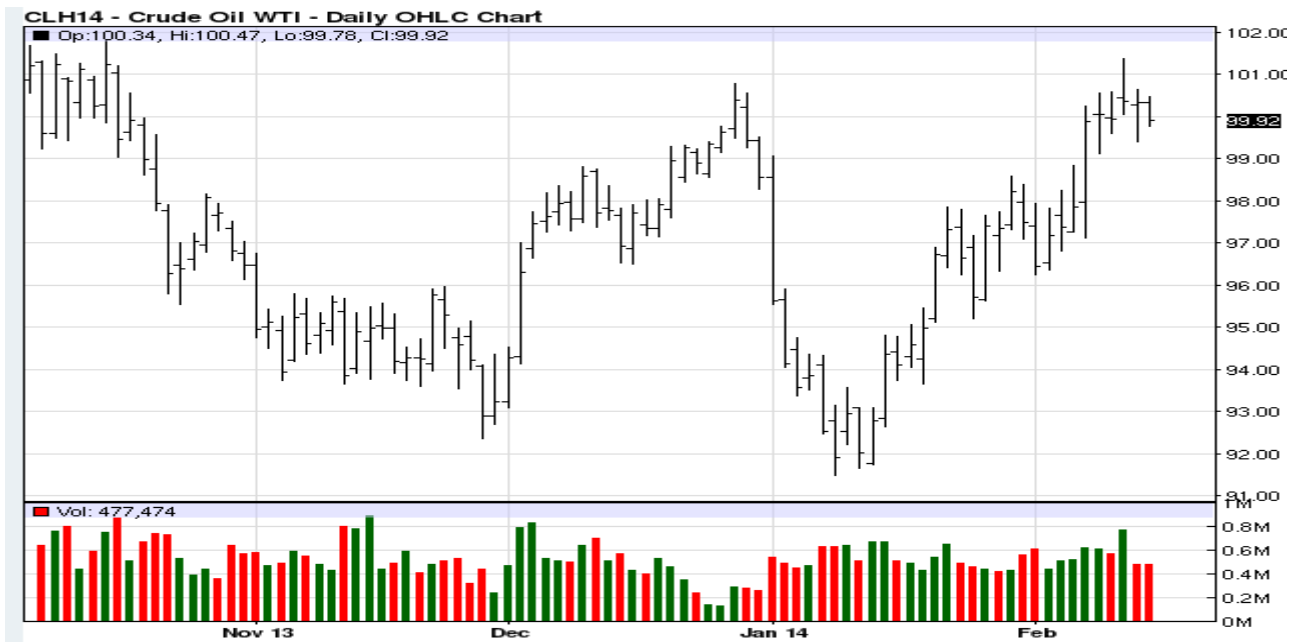
- The U.S. Department of Agriculture announced on Saturday(8<sup>th</sup> Feb.) that Petaluma-based Rancho Feeding Corp, a beef processing plant based in California was recalling more than 8.7 million pounds of beef products that it processed from Jan. 1, 2013 through Jan. 7, 2014 because the facility processed diseased and unhealthy animals without a full federal inspection.
- The products which include beef carcasses, oxtail, liver, cheeks, tripe, tongue and veal bones were shipped to distribution centres and retail stores in California, Florida, Illinois and Texas.
- The Danish government is examining a proposal to remove VAT on organic products including meat.
- On the domestic market, prices for standard beef were in the range of K12-20/kg, this is as captured by the ZNFU 4455 price information system.



Source: CME Group

## CRUDE OIL Highlights

- World oil demand should grow at a slightly faster rate than previously expected in 2014. According to OPEC growth of 1.09 million barrels a day, up from a previous estimate of 1.05 million barrels per day are expected in 2014.
- Nymex crude prices fell on Thursday(13<sup>th</sup>) after U.S. Energy Information Administration said in its weekly inventory report that U.S. crude oil inventories rose by 3.3 million barrels in the week ended Feb. 7 compared to expectations for an increase of 2.7 million barrels. On the New York Mercantile Exchange, West Texas Intermediate crude for delivery in March traded at USD100.20 a barrel during Asian trading, down 0.19%.



Source :Oil price