



THE WEEKLY AGRO WATCH



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Industry updates

New 2010 Gross Domestic Product (GDP)

The CSO has finalized the benchmarking of the National Accounts Statistics to 2010 following the successful conduct of the Economic Census and other surveys. According to the benchmark estimates, the Gross Domestic Product (GDP) for 2010 is estimated at K97,215.9 million of which the informal sector accounted for 33.6 percent. The new estimates are 25.2 percentage points higher than the old which were estimated at K77,666.6 million. For more details on the new GDP visit <http://www.zamstats.gov.zm/report/Monthly/Vol%20130%202014%20The%20Monthly%20February%20final.pdf> . **Source :CSO**

BOZ Raises Statutory Reserve Ratio For Commercial Banks

The bank of Zambia will lift the statutory reserve ratio for commercial banks to 14 percent from the current 8 percent from March 10th in a bid to reduce liquidity and help prop up the free falling Kwacha (source: Cavmont Bank bulletin).

Parley Raises Local Borrowing Threshold

Parliament on Tuesday, 25th Feb. approved a motion to increase the threshold of domestic borrowing from K200 million to K13 billion, among other adjustments. Domestic threshold for loans repayable over a one year has risen from K10m(US\$5.8m) to K20bn (US\$3.8bn). Government says the increase in the domestic borrowing threshold is meant to help with implementation of various economic projects given the burgeoning budget deficit and limited room for external borrowing.

Zambia Inflation Surges To 7.6% In February

The annual rate of inflation, as measured by the all items Consumer Price Index (CPI) for February 2014 was recorded at 7.6 percent compared to the 7.3 percent recorded in January 2014. This means that on average, prices increased by 7.6 percent between February 2013 and February 2014. The increase has been partly attributed to increases in food and Non - alcoholic beverages; Alcoholic beverages and Tobacco; Health; and Recreation. **source :CSO**

Zambia Trade Surplus For January

Zambia recorded a trade surplus valued at K 283 Million in January 2014 from K 161 Million recorded in December 2013. This means that the country exported more in January 2014 than it imported in nominal terms. **source :CSO**

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 5.74

Prices as at 28th 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	226.5	1350	235.2	1800	313.6	1820	317.1	1300	226	1500	261.3	1500	261.3	1600	278.7	1560	271.8
Wheat		0		0	2200	383.3								0				0
Soybeans	2200	383.3		0	2600	453							2000	348.4			2500	435.5

Import Parity Prices

The following import parity prices were compiled by ZNFU as at 28th Feb,2014.

Domestic Import Parity Prices as at 28/02/14					
US\$/ZAR=10.68			US\$/ZMK=5.8		
Parity Prices		U\$/ZMK	Maize	Soya	Wheat
Lusaka		5.8	487.34	813.01	539.16
Town	ZMK	\$	\$	\$	\$
Chipata	275	47.41379	534.7538	860.4238	586.5738
Mkushi	225	38.7931	526.1331	851.8031	577.9531
Ndola	250	43.10345	530.4434	856.1134	582.2634
Kitwe	250	43.10345	530.4434	856.1134	582.2634

Exchange Rates

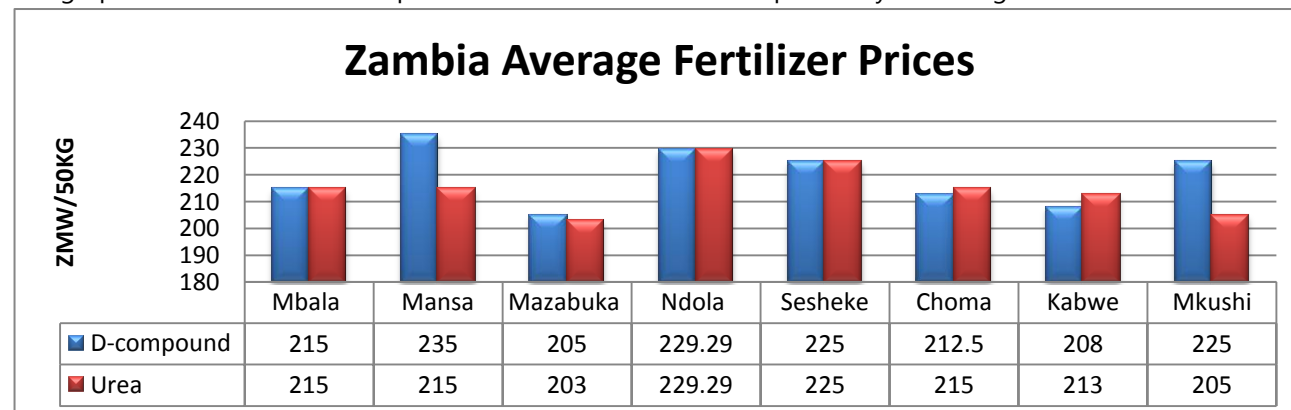
The following are exchange rates compiled from selected Zambian Banks. The exchange rates are indicative and may be subject to change without prior notice depending on market conditions.

CURRENCY	28/02/2014						21/02/2014					
	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)	5.752	5.868	0.541	0.551	9.601	9.795	5.722	5.838	0.518	0.534	9.524	9.7176
Standard Chartered Bank	5.749	5.863	0.5373	0.5479	9.5911	9.7812	5.715	5.8285	0.5192	0.5296	9.5115	9.7004
ZANACO	5.757	5.8726	0.5349	0.5486	9.5574	9.8024	5.7178	5.8322	0.5163	0.5295	9.4686	9.714
Bank of Zambia(Inter-Bank @ 12:30 Hrs)	5.8008	5.8108					5.782	5.7922				

Commodity Highlights

FERTILIZER

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



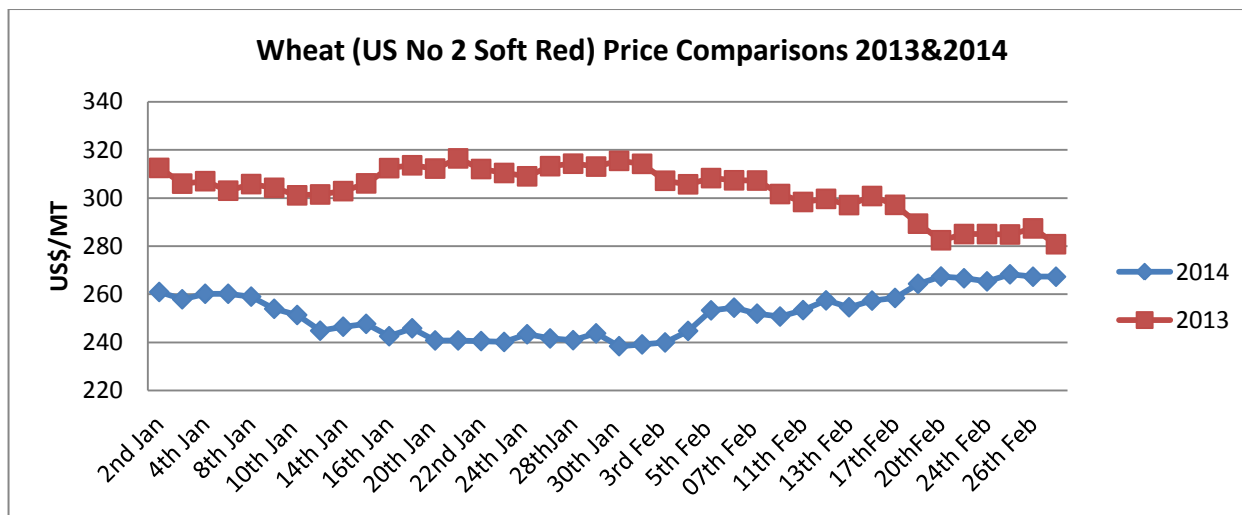
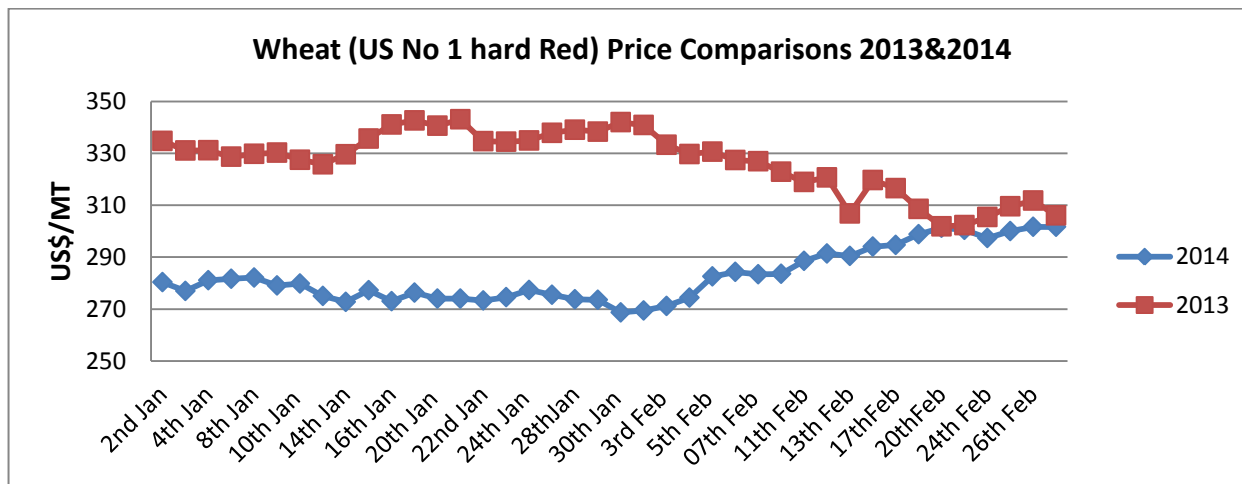
WHEAT

Highlights

- The South African crop estimates committee raised its forecast for the country's wheat production to 1.8 million tonnes and increased the estimate for malting barley 0.9 percent to 266,002 tonnes.
- The Ministry of Agriculture, Forestry and Fisheries in Japan will raise prices of wheat grain to local flour millers by an average of 2.3 percent in April to 58,590 yen (\$573) a metric ton on average. reflecting an increase in the sales tax to 8 percent in the same month from 5 percent.
- The international grains council has pegged World production of wheat will be 708 million tonnes, up 0.1 percent from last month's forecast.
- The Chicago wheat futures price for delivery in march settled at US\$ 216.1/MT on Friday,28th Feb mid 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 the previous week settled at US\$267/MT and US\$300.23MT respectively.



Source: Safex

SOYA BEANS

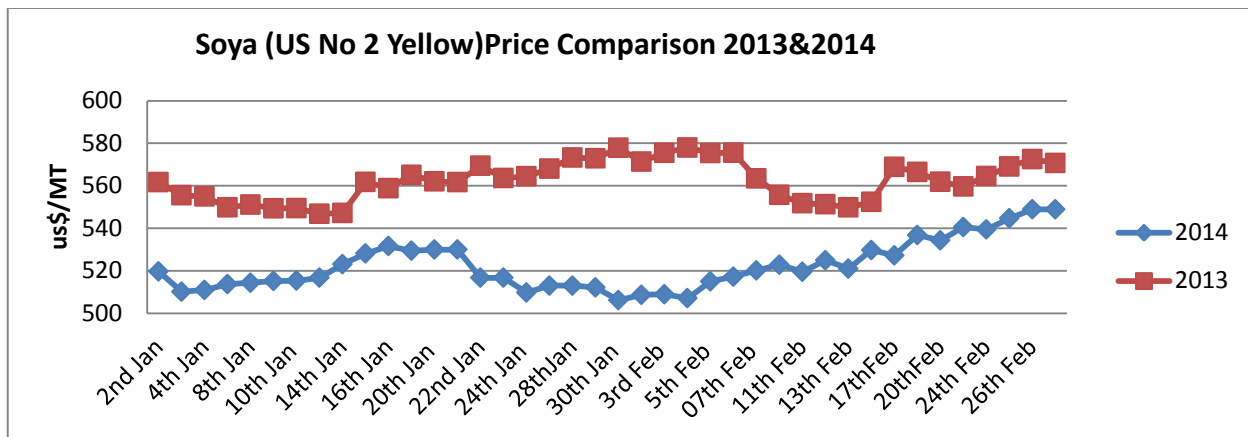
Highlights

- Brazil's soybeans harvest in the 2013-14 season is projected to be 88 million metric tonnes 2.5 percent less than previously forecast. According to the international Grains council(IGC), global production of soybeans will be smaller at 271 million tonnes than estimated a month ago after prospects deteriorated for harvests in Brazil and Argentina.
- Argentina's soybeans crop production may drop to 53.5 million tonnes 1.8 percent less than the prior estimate by IGC.

- Soybeans have climbed about 6.1 percent this year on the Chicago Board of Trade, partly on concern about South American crops. The Chicago soybeans futures price for delivery in May was pegged at US\$509/MT on Friday 28th Feb. mid morning.
- On the local market, with the new crop in sight, a ZNFU stakeholders meeting held on 26th Feb. allowed the grain traders association of Zambia to export about 12,000 metric tonnes of soybeans to pave way for the new crop.
- Local soybeans prices are in the range of K2.8-2.0/Kg for non contract beans.

Price trends

The average price of US No. 2 yellow soya beans on Safex settled at US\$544.53, higher than last week's average of 532.04/MT but still lower than the 567.31 average recorded last year during the same period.



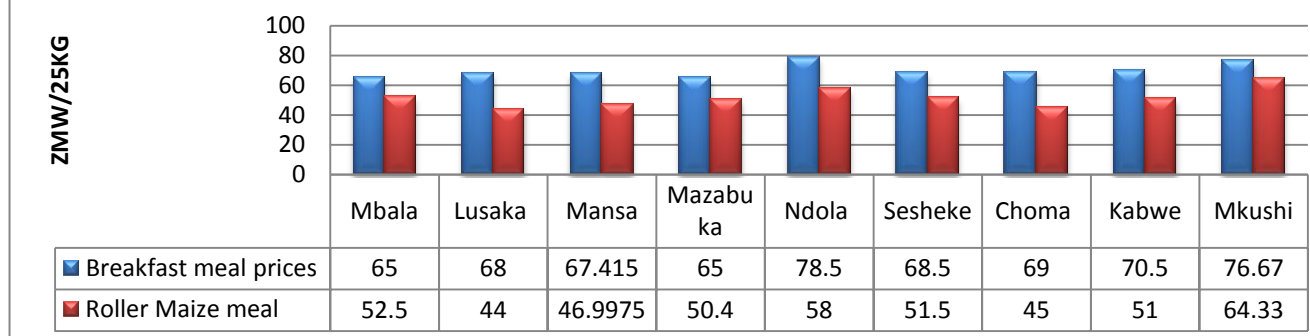
Source: safex

Maize

Highlights

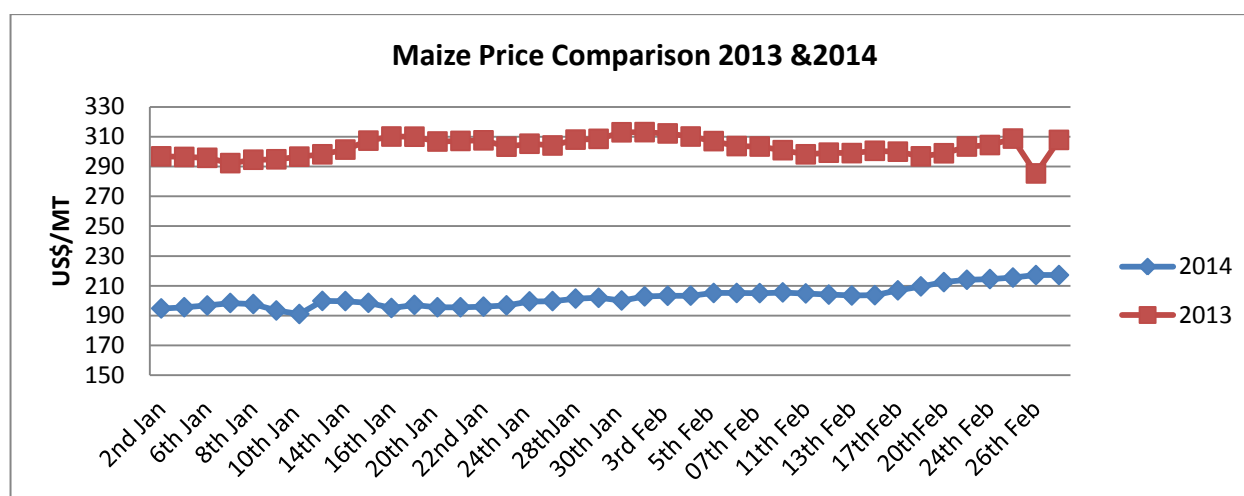
- South Africa is importing yellow maize for the first time in 22 months as stocks of the grain declined to a nine-month low in January. Stock piles of both white and yellow maize declined 31% to 2.34-million metric tonnes. According to the South African Grain Information Service (SAGIS), the country had stocks amounting to 946,076 tonnes of yellow maize and 1.39 million tonnes of white maize. Local prices of both varieties rose to a record last month as drought in some growing regions curbed output.
- In associated news, the South African crop estimates committee forecasts that the country's maize production may be upped by 6 percent as output of the white maize variety is expected to surge. Local producers may harvest 12.4 million metric tons, south Africa produced 11.7 million tonnes of maize in the 2013 season.
- Zimbabwe is expecting to harvest at least 1,2 million metric tonnes of maize during the 2013/2014 season, this is according to the Zimbabwe Commercial Farmers' Union (ZCFU).
- The Chicago maize futures price for delivery in march was pegged at US\$176.4/MT on Friday 28th Feb. 2014 mid morning
- On the local market, maize prices remain high on the commercial market with the commodity fetching prices as high as K96 per 50kg bag in Mazabuka. The national average maize price as captured by the ZNFU 4455 also remained higher at K1.5/KG than the FRA floor price offer of K 1.3/KG
- The graph below shows Mealie meal prices for selected districts as captured by ZNFU regional offices. Roller Mealie meal price increased in Mazabuka from the K45 per 25kg in the previous weeks to K50.4 per 25 Kg.

Zambia Mealie Meal Prices



Price trends

The average Safex price of US No. 2 Yellow maize for the previous week settled at around US\$ 215.69, 29 percent lower than the US\$301.92 average price recorded during the same period last year.

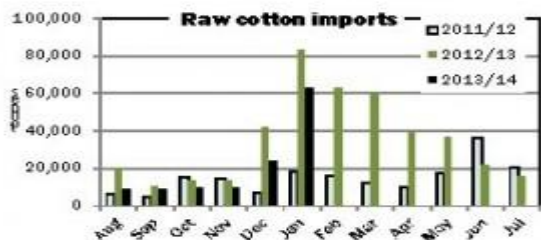


Source: Safex

COTTON

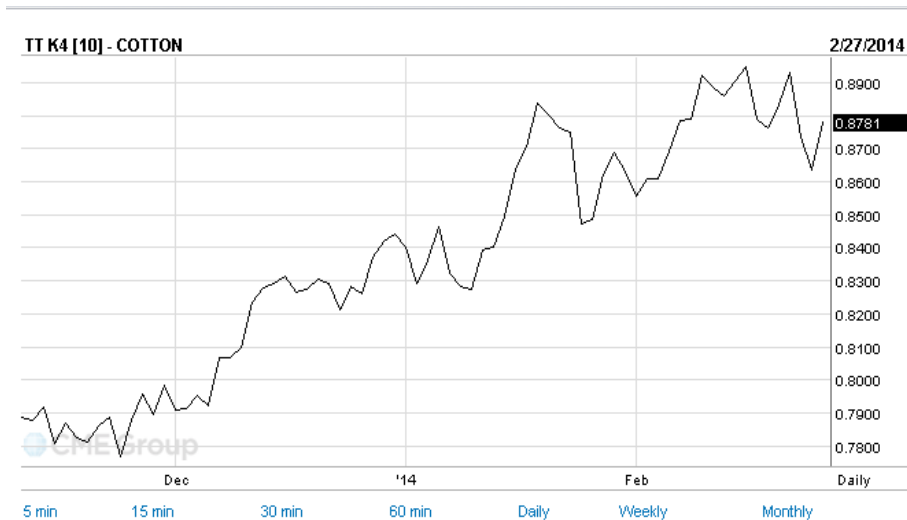
Highlights

- Raw cotton imports into Pakistan in January totalled 62,639 tonnes, compared with 83,252 during the first month of last year. Accumulated imports for August/January now stand at 123,693 tonnes (182,221).



Source: cotlook

- China has modified its cotton import and export tariff exchange rate for March. According to the People's Bank of China, the exchange rate will be changed to USD 1 = RMB 6.1103, the Exchange Rate in February, 2014 was USD 1 = RMB 6.1005. Cotton and textile companies shall apply this new rate in tariff for the international business.
- The ICE cotton futures prices for delivery in May were pegged at 87.19 cents per lb.0
- The graph below shows the cotton futures price trend captured by CME



Source :CME

BEEF

Highlights

- The US has postponed the final decision on allowing imports of fresh and frozen Brazilian beef for a further two months, after long-term negotiations. The US major concern has been the risk of Foot-and-Mouth disease being introduced to the country. If approved, 14 Brazilian states will be authorized to export fresh and frozen beef to the US.
- The EU food safety alert service has warned of E.Coli being detected in Brazilian meat cargoes exported to Europe. Dutch, Spanish and Italian customs rejected consignments of chilled beef from Brazil after discovering they were contaminated with E.coli.
- Cattle futures rose in the past week to a record as ranchers struggle to boost the U.S. herd from a 63-year low. According to the USDA, beef output in the U.S., the world's top producer, will fall 5.3 percent this year to 24.35 billion pounds (11.04 million metric tons), the lowest since 1994.
- The graph below show live cattle futures price trends as recorded on CME.



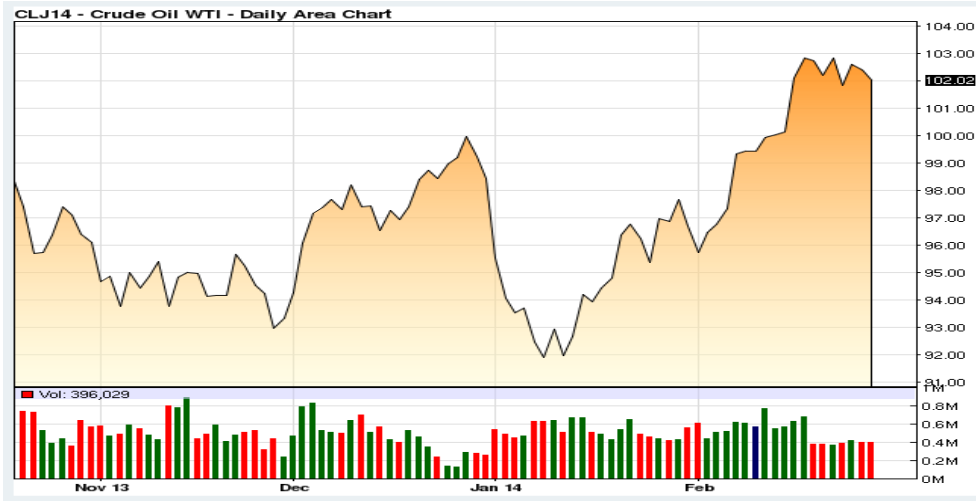
Source: CME Group

CRUDE OIL

Highlights

- Crude oil prices in New York fell during Asian trading hours on Friday after data on weekly U.S. jobless claims missed expectations and on forecasts for a warming trend over much of the country. On Thursday, 27th Feb. the

New York-traded oil futures traded low at \$102.05 a barrel and a high of \$102.24 a barrel to settle at \$102.23 a barrel.



Source: oil price

Average Stock Feed Prices

	Unit	Kabwe	Livingstone	Mkushi	Mazabuka
BROILER FEEDS					
Broiler Starter	50kg	163.125	171.6	172.2	162
Broiler Grower	50kg	159.75	169.3	169.5	160.75
Broiler Finisher	50kg	155.25	166.3	168	158.75
Broiler Withdrawal/Post finisher	50kg				
LAYER FEEDS					
Pullet Starter	50kg	138.5			
Pullet Grower	50kg	129			
Pullet Developer	50kg	121.5			105
Layer 96	50kg	121.66667	138		
Layer 95	50kg	128	141		113.75
Layer 100	50kg	123			131.5
Layer 105	50kg	121	135.5		105
Layer 115	50kg	116			107.75
PIG FEEDS					
Pig Creep	50kg				
Pig Weaner	50kg	168			137
Pig Grower	50kg	148.16667			136
Pig Finisher	50kg				107
Sow and Boar Mash	50kg	121			118
Pig Lactating Soar	50kg	162			113
CATTLE FEEDS					
Calf Starter	50kg				128
Dairy 19(Urea)	50kg	101			129
CONCENTRATES					
Broiler Starter Concentrate	50kg				212.5
Broiler Grower Concentrate	50kg				130
Broiler Finisher Concentrate	50kg				126
Pig Weaner Concentrate	50kg				239
Pig Grower Concentrate	50kg	151.5			254
Pig Finisher Concentrate	50kg				145
Sow and Boar Mash Concentrate	50kg				157
Pig Lactating Soar Concentrate	50kg				157
BRAN					
Wheat bran	25kg				
Maize bran	25kg			16	21

Zambia Weather Forecast

SEVEN DAY (7) WEATHER FORECAST (26TH FEBRAURY TO 4TH MARCH, 2014)

Period from 26th -28th February 2014.

The Inter Tropical Convergence Zone (ITCZ) will be oscillating about central parts of Zambia.

Forecast

Lusaka, Southern and the western districts of Central Provinces: Partly cloudy to cloudy with a chance of light morning rains, sunny intervals by late morning, afternoon showers and thunderstorms in few places.

The rest of Zambia: Cloudy with morning rains in few places, afternoon showers and thunderstorms in many places.

Period from 1st - 4th March, 2014.

The ITCZ will be oscillating about the southern parts Zambia. This will spread the rainfall activities to the southern half of the country and reduce over northeastern Zambia.

Luapula, Northern, Muchinga and northern districts of eastern Provinces: Partly cloudy to cloudy with showers and thunderstorms in few places.

The rest of Zambia: Mainly cloudy with showers and thunderstorms in places.