



# THE WEEKLY AGRO WATCH



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## In this week's issue:

- **South Africa crop estimates revised upwards**
- **Zambia's monthly inflation surges**

## Industry Updates

### Zambia Records Trade surplus

The Central Statistical Office report in their monthly bulletin that Zambia recorded a trade surplus of valued at K84 million in March 2014 compared to K55 million recorded in February 2014. The increase in trade surplus was mainly attributed to a rise in traditional exports.

### Monthly Inflation Rate Increases To 7.8 Per Cent

The annual rate of inflation, as measured by all the Consumer Price Index (CPI) for the month of April, 2014 has increased to 7.8 per cent from the 7.7 per cent recorded in March, 2014. This is according to the Monthly Bulletin compiled and released by the Central Statistical Office (CSO) yesterday in Lusaka. The CSO largely attributed the increase in inflation to sustained increase in the prices of non food items such as cement, motor vehicles and charcoal. The increase in inflation rate may signal the Bank of Zambia to raise the monetary policy rate for the month of May 2014.

## 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= K6.25																			
Prices as at 28th April ,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	208	1350	216	1800	288	1600	256	1300	208	1500	240	1500	240	1600	256	1850	296	
Wheat		0		0	2200	352													0
Soybeans	2200	352		0	2800	448													2500 400

## Import Parity Prices

The following import parity prices were compiled by ZNFU as at 28<sup>th</sup> April,2014.

Domestic Import Parity Prices as at 28/04/14					
		US\$/ZAR=10.64		US\$/ZMK=6.25	
Parity Prices		U\$/ZMK	Maize	Soya	Wheat
Lusaka		6.25	405.97	732.42	470.75
Town	ZMK	\$	\$	\$	\$
Chipata	275	44.00	449.97	776.42	514.75
Mkushi	225	36.00	441.97	768.42	506.75
Ndola	250	40.00	445.97	772.42	510.75
Kitwe	250	40.00	445.97	772.42	510.75

## Export Parity Prices (Harare Lusaka)

The following export parity prices were compiled by ZNFU as at 28<sup>th</sup> April,2014.

Export Parity Price (EPP) Harare-Lusaka		
Soya Beans	436.31	
Wheat	354.2	

## Exchange Rates

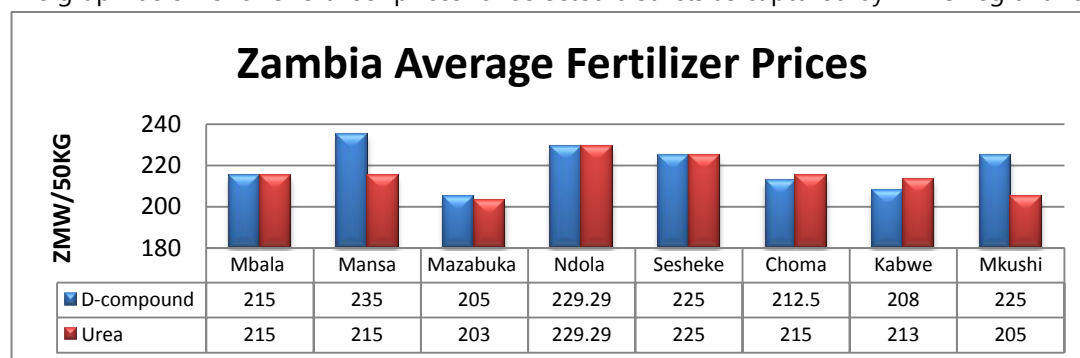
The following are exchange rates compiled from selected Zambian Banks. The exchange rates are indicative and may be subject to change without prior notice depending on market conditions.

CURRENCY	28/04/2014						22/04/2014					
	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)	6.212	6.338	0.588	0.6	10.445	10.657	6.148	6.272	0.589	0.601	10.337	10.545
Standard Chartered Bank	6.21	6.33	0.5859	0.598	10.427	10.63	6.13	6.2515	0.5872	0.5989	10.299	10.5031
ZANACO	6.22	6.34	0.5802	0.595	10.387	10.65	6.1188	6.2412	0.5794	0.5942	10.225	10.4876
Bank of Zambia (Inter-Bank @ 09:30 Hrs )	6.2611	6.2811					6.2033	6.2233				

## Commodity Highlights

### FERTILIZER

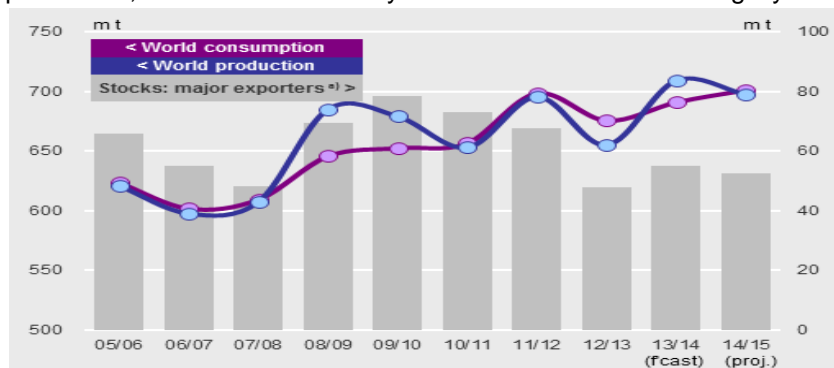
The graph below shows fertiliser prices for selected districts as captured by ZNFU regional offices.



### WHEAT

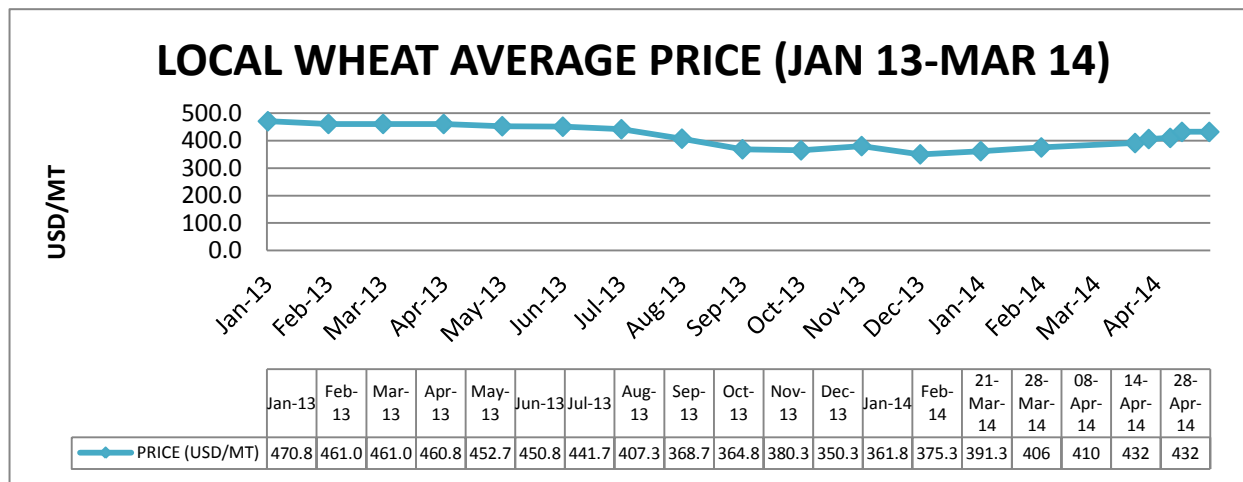
#### Highlights

- The South African crop estimates committee forecasts that the country's wheat production for this year will probably be 1 percent lower than the previous year (2013). The nation will probably plant 500,500 hectares of wheat, this compares to the 505,5000 planted last season.
- The International Grains Council has projected a decline of 2% in 2014/15, to 697 million tonnes in World wheat production, the decline is mainly due to more normal average yields after the very high levels of the previous year.



Source: IGC

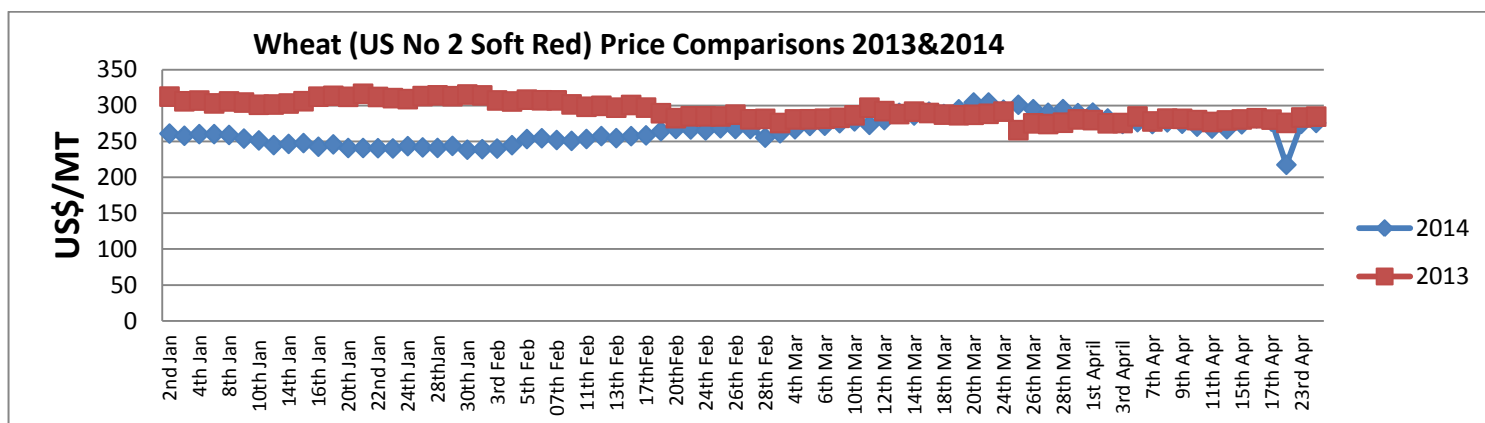
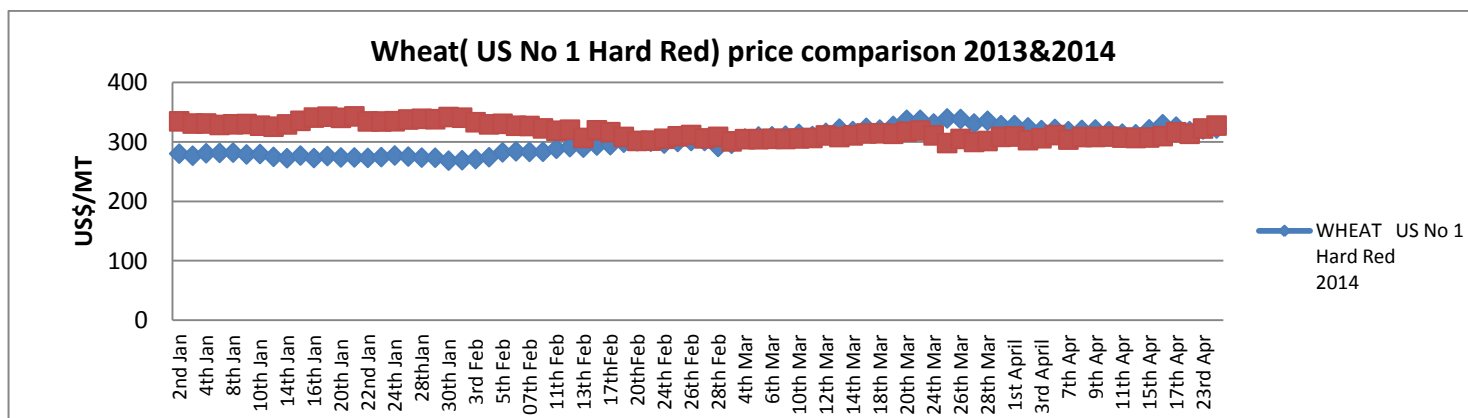
- The Chicago wheat futures price for delivery in July was pegged at US\$262/MT this Monday mid- morning.
- On the local market wheat prices have sustained their steady increase as demand for the grain strengthens . The graph below shows the price trends as captured by the ZNFU 4455. Wheat prices are ranging between ZMW2.4-2.7/Kg.



Source :4455 ZNFU

### Price trends

The Safex soft red and hard red average wheat prices for the previous week settled at US\$255.89/MT and US\$320.71/MT respectively lower than the averages of US\$273.74/MT and US\$320.88/MT recorded last week respectively.



Source: Safex

## SOYA BEANS

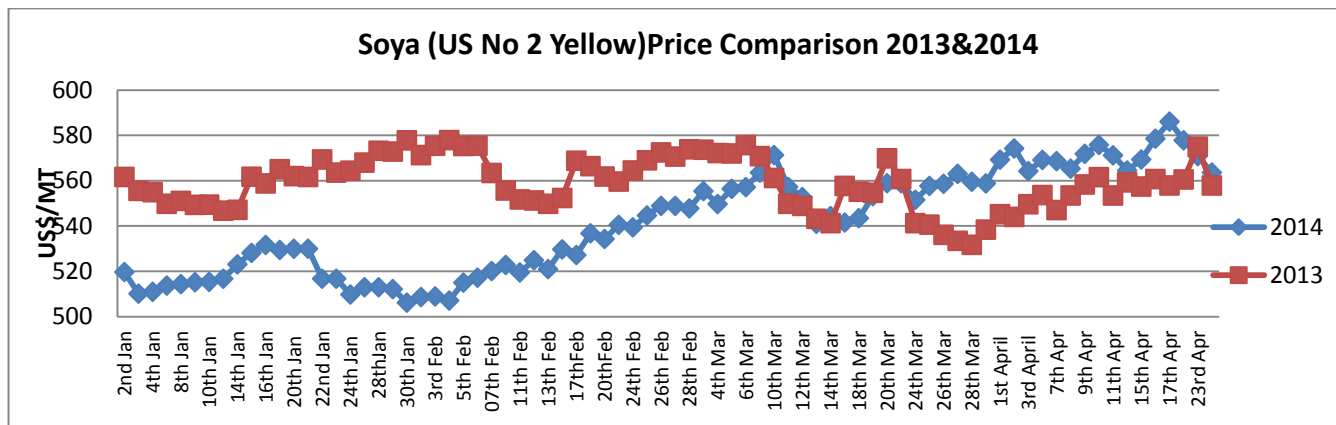
### Highlights

- On 24<sup>th</sup> April, soybeans futures fell to a one week low to head for the longest slump since July amid concerns that demand will decreased in china the world top importer.

- However, on Monday 28<sup>th</sup> April Soybeans climbed on speculation that cold, wet weather will slow planting this week in the U.S., the biggest producer of both crops according to market now news.
- The Chicago soybeans futures prices for delivery in July 2014 settled at US\$554.8/MT on Monday midday 28<sup>th</sup> of April 2014.
- Domestic soybeans prices are in the range of K2.2-2.8/Kg for non contract beans.

## Price trends

The average price of US No. 2 yellow soya beans on Safex settled at US\$571/MT slightly lower than last week's average of US\$574/MT.

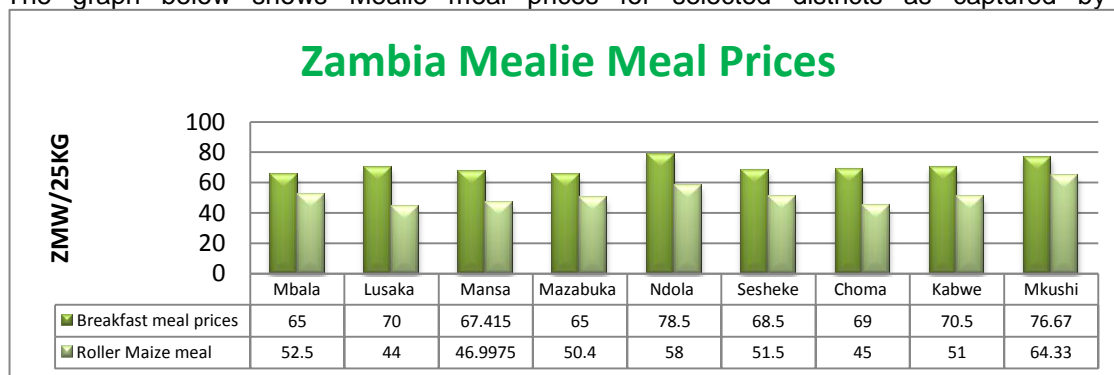


Source: Safex

## Maize

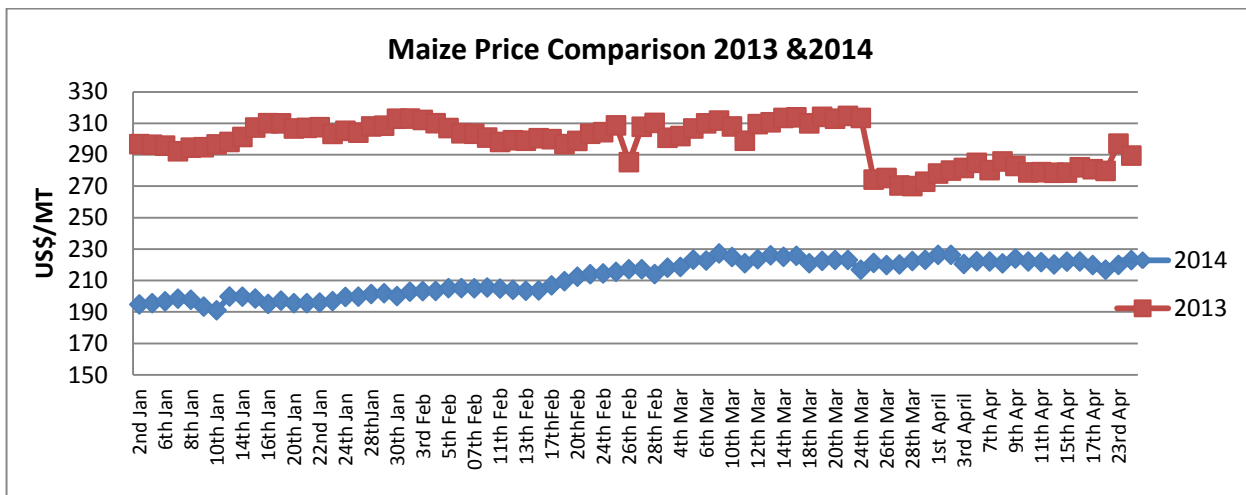
### Highlights

- The South African crop estimates committee on Thursday (24<sup>th</sup> April) raised its forecast for the country's maize production for 2014 to 13.029 million tonnes from the previous estimate of 12.955 million metric tonnes. According to Reuters, the maize crop will consist of an estimated 7.0670 million tonnes of white and 5.962 tonnes of yellow maize.
- The International Grains Council have forecast a decrease in Global production of maize of 2% y/y, to about 950million tonnes in 2014/15, as yields retreat from the previous year's exceptional results, but stocks are likely to rise and trade remain high.
- The Chicago maize futures price for delivery in July was pegged at US\$202.3528/MT this morning (28<sup>th</sup> April).
- On the local market, early maize crop still coming onto the market, prices for the grain remain strong and are ranging in between K1.3-1.8/KG.
- The graph below shows Mealie meal prices for selected districts as captured by ZNFU regional offices.



## Price trends

The average Safex price of US No. 2 Yellow maize for the previous week settled at US\$220/MT lower than last week's average of US\$221.19/MT.



Source: Safex

## COTTON

### Highlights

- The government in Pakistan, through its Economic coordination committee has withdrawn the duty exemption on cotton yarn. A five per cent(5%) customs duty on the import of cotton yarn will now be imposed on cotton yarn imports. According to the business recorder, a massive increase in cotton yarn imports from India during the current fiscal year have been hurting Pakistan local cotton industry, hence the move .
- Cotton yarn imports rose to 9.2 Million bales during july-feb 2013/2014. Pakistan's import of cotton increased by 117 percent, that is 20,097,295kgs from 10,120,808kgs a year ago.
- The most-active July cotton contract on ICE Futures U.S. closed down 0.13 cent, or 0.1 percent, to settle at 92.34 cents a lb on Monday 21<sup>st</sup> april,2014.
- The graph below shows CME cotton futures prices for delivery in May per lb.



Source :CME

## BEEF

### Highlights

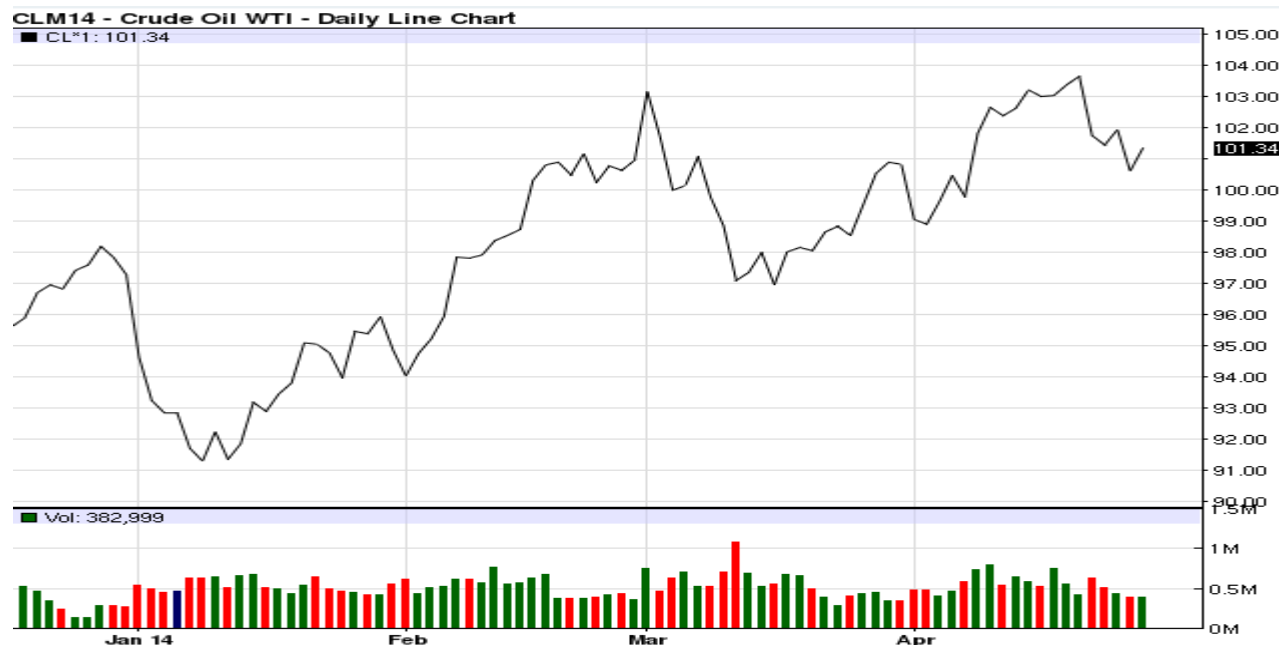
- The number of cattle in US feedlots (with capacity of 1,000 head or more) as at the beginning of April was 10.86 million head, the most since April 2013, however, the inventory total was still low in historic terms, this is according to the US Department of Agriculture's monthly on MLA
- Meanwhile, Canadian beef production during the first quarter of 2014 was generally much higher than the same period in 2013, with fed cattle slaughter up 10%, at 540,000 head according to MLA.

- Cow slaughter, on the other hand in Canada was lower – down 3%, to 127,500 head, suggesting less lean beef available for end-users
- The CME live cattle price for June 2014 delivery as of 28<sup>th</sup> April 2014 midday settled at 136.78 cents /pound ( US \$3/kg) .
- On the domestic market, prices for standard beef traded in the range of K12-20/kg, this is as captured by the ZNFU 4455 price information system.



## Crude Oil Highlights

- Brent edged up toward \$110 a barrel on Monday as tensions rose in Ukraine and Libya delayed the re-opening of a damaged eastern port reports Reuters. June brent crude was at \$109.78 a barrel, up 20 cents, after settling down 75 cents on Friday.
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## Average Stock Feed Prices

	Unit	Kabwe	Livingstone	Mkushi	Mazabuka
<b>BROILER FEEDS</b>					
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				
<b>LAYER FEEDS</b>					
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
<b>PIG FEEDS</b>					
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
<b>CATTLE FEEDS</b>					
Calf Starter	50kg				128
Dairy 19(Urea)	50kg	101			129
<b>CONCENTRATES</b>					
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
<b>BRAN</b>					
Wheat bran	25kg				
Maize bran	25kg			16	21

## Weather information

### Outlook for Monday:

**Southern, Western, Muchinga, Northern and Luapula Provinces:** Partly cloudy and windy becoming cloudy by late morning with afternoon showers and thunderstorms in few places.

**The rest of Zambia:** Mainly sunny and windy becoming partly cloudy by mid morning and warm to hot.

### OUTLOOK TO TUESDAY (29/04/2014).

Partly cloudy weather conditions to prevail over most parts of Zambia.

Forecast as compiled and produced by Zambia Meteorological Department.

## ZRA Data on Selected Agricultural Commodities

Commodity	Unit		Jan	Feb	Mar
<b>Edible oils /products</b>	Metric tons				
Cooking oil		Import	1958	1086	1364.177
		Export	-	589.7	690.715
Crude palm oil		Import	1945.611	3019.5	2794.8
		Export	-	-	-
Crude Soya oil		Import	648.21	620.07	-
		Export	-	-	-
Soya cake		Import	-	-	-
		Export	4979.026	5931.415	5859.42
Sunflower cake		Imports	-	-	-
		Exports	210	120	-
Soybeans		Imports	-	-	-
		Exports	-	-	4461.06
Fresh Bananas		Import	-	180	210
		Export	-	-	-
<b>Grains /Cereals</b>					
Wheat flour		Import	1.8875	1.869	3.65
		Export	1845.439	985	1863.75
Wheat grain		Imports	-	-	-
		Exports	930	1482.13	2933.135
Maize grain		Import	-	0.275	-
		Export	5234.36	3432.1	2042.24
Mealie meal		Import	-	-	-
		Export	6735.885	12173.72	13811.2
Bran		import	-	-	-
		Export	3694.95	4516.864	5292.51
Maize seed		Import	-	-	-
		Export	60	1288	140
Barley		Import	-	-	-
		Export	745	1762	2065
<b>Livestock/Livestock products</b>					
Whole chicken		Import	36.813	48.973	-
		Export	-	-	0.36
Mechanically deboned Chicken		Import	257.205	209.544	-
		Export	-	-	-
Beef		Import	-	-	-
		Export	-	-	1.3
Pork		Import	0.022	-	-
		Export	-	-	0.65
Breeding Goats		Import	-	-	-
		Export	-	-	1.2
		Import	104.8	200	252
		Export	-	-	-
<b>Dairy products</b>					
Full cream Milk		Import	148.5666	109.910	21
		Export	150	15.030	10.695
Powdered Milk for reconstitution		Import	-	88.4598	-
		Export	-	-	-
<b>Others</b>					
Household Sugar		Import	-	-	-
		Export	3154.66	5992.58	8966.72
Cotton cake		Import	-	-	-
		Exports	435.35	1516.18	1180.899
Cotton seed		Import	-	-	-
		Export	1138.04	2354.17	330

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