



THE WEEKLY AGRO WATCH



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Industry Updates

Mkushi beef farmers cry foul over market distortions

Beef farmers in Mkushi district have expressed worry over a constant reduction in beef prices over the last 12 months against the rising cost of production. The farmers have attributed this to market distortions caused by suspected beef imports flooding the local market. Beef farmers in Mkushi are now calling on controlled importation of breeding stock to curb the growing market distortions in the local beef industry. Key beef stakeholders met at ZNFU headquarters last week to plan ways of bringing sanity to the industry. Among other resolutions, the stakeholders recommended a ban on live beef imports for slaughter with the exception for certified breeding stocks such as bulls, heifers, embryos and semen.

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= K6.60

Prices as at 16thMay ,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	1100	166.7	1100	166.7	1500	227.3	1350	204.5	1200	182	1300	197	1250	189.4	1200	181.8	1250	189.4
Wheat		0		0	2700	409.1	2300	348.5		0	2400	363.6	2404	364.2	2400	363.6	2300	348.5
Soybeans	2000	303		0	2650	401.5	2400	363.6	2100	318	2420	366.7	2350	356.1	2400	363.6	2350	356.1

Import Parity Prices

The following import parity prices were compiled by ZNFU as at 12th May, 2014.

Import Parity Prices in metric tons as at 19/05/14					
		US\$/ZAR=10.39		US\$/ZMK=6.6	
Parity Prices		U\$/ZMK	Maize	Soya	Wheat
Town	ZMK	\$	\$	\$	\$
Lusaka		6.6	377.43	732.69	438.39
Chipata	275	41.67	419.10	774.36	480.06
Mkushi	225	34.09	411.52	766.78	472.48
Ndola	250	37.88	415.31	770.57	476.27
Kitwe	250	37.88	415.31	770.57	476.27

In this week's issue:

- ❖ Local maize prices begin to fall

Export Parity Prices (Harare Lusaka)

The following export parity prices were compiled by ZNFU as at 12th May, 2014.

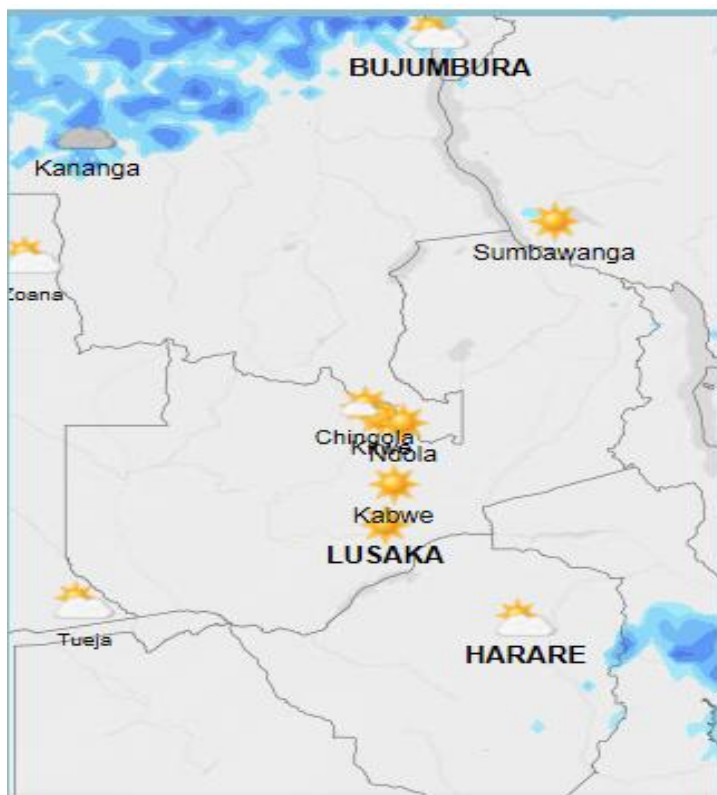
Export Parity Price (EPP) Harare-Lusaka	
Soya Beans	436.31
Wheat	361.17

Exchange Rates

CURRENCY	16/05/2014						2/05/2014					
	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)	6.61	6.74	0.64	0.65	11.10	11.32	6.43	6.56	0.63	0.64	10.89	11.11
Standard Chartered Bank	6.57	6.71	0.64	0.65	11.04	11.26	6.43	6.56	0.63	0.64	10.88	11.10
ZANACO	6.58	6.71	0.63	0.65	11.00	11.28	6.43	6.55	0.62	0.63	10.82	11.10
Bank of Zambia	6.64	6.66	0.64	0.65	11.17	11.21	6.46	6.48	0.62	0.63	10.89	10.99

Weather Update

The table summarizes the weather forecast for some selected towns for the period 19th to 26th May 2014.



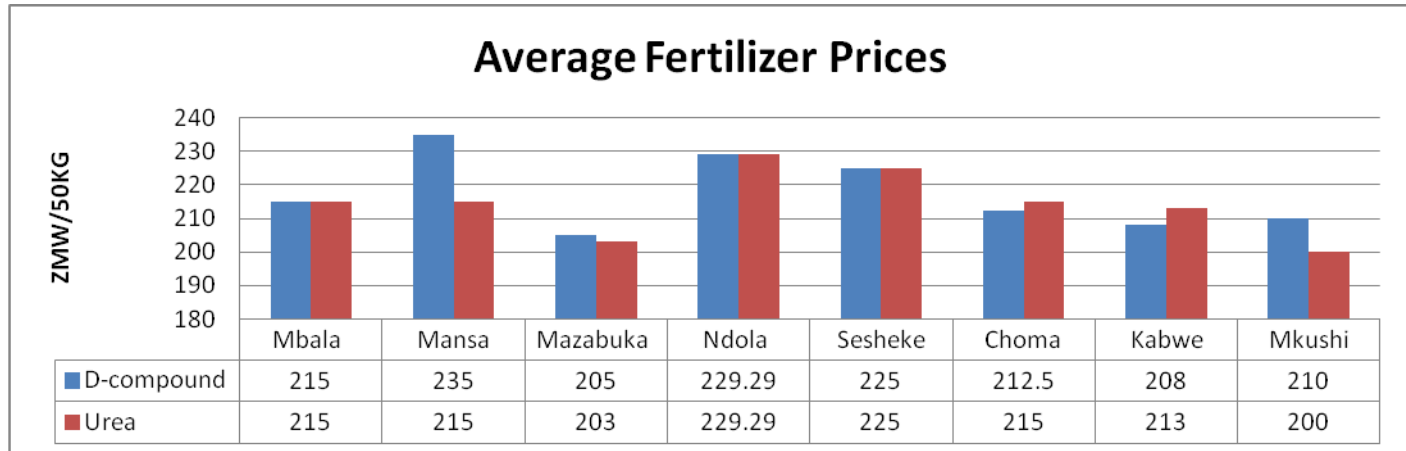
TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ No precipitation with clear skies into the weekend when it's expected to be partly cloudy and clear again on 26th may. ➤ Average Temperatures: 22-27°C. ➤ Light and gentle breeze throughout the week except for Wednesday when it's expected to be calm.
Mkushi	<ul style="list-style-type: none"> ➤ Clear sunny skies throughout the week with no precipitation. ➤ Average Temperatures: 21-26°C ➤ Light and gentle breeze throughout the week
Kabwe	<ul style="list-style-type: none"> ➤ Clear sunny skies throughout the week with no precipitation. ➤ Average Temperatures: 21-26°C ➤ Light and gentle breeze throughout the week
Lusaka	<ul style="list-style-type: none"> ➤ Clear sunny skies throughout the week with no precipitation. ➤ Average Temperatures: 20-26°C ➤ Light and gentle breeze throughout the week except for Wednesday when it's expected to be calm.
Mazabuka	<ul style="list-style-type: none"> ➤ Clear sunny skies throughout the week with no precipitation. ➤ Average Temperatures: 22-27°C ➤ Light and gentle breeze throughout the week except for Wednesday and Monday 26th May when it's expected to be calm.
Choma	<ul style="list-style-type: none"> ➤ Clear sunny skies throughout the week with no precipitation. ➤ Average Temperatures: 19-25°C ➤ Light and gentle breeze throughout the week

Source: Norway meteorological Institute

Commodity Highlights

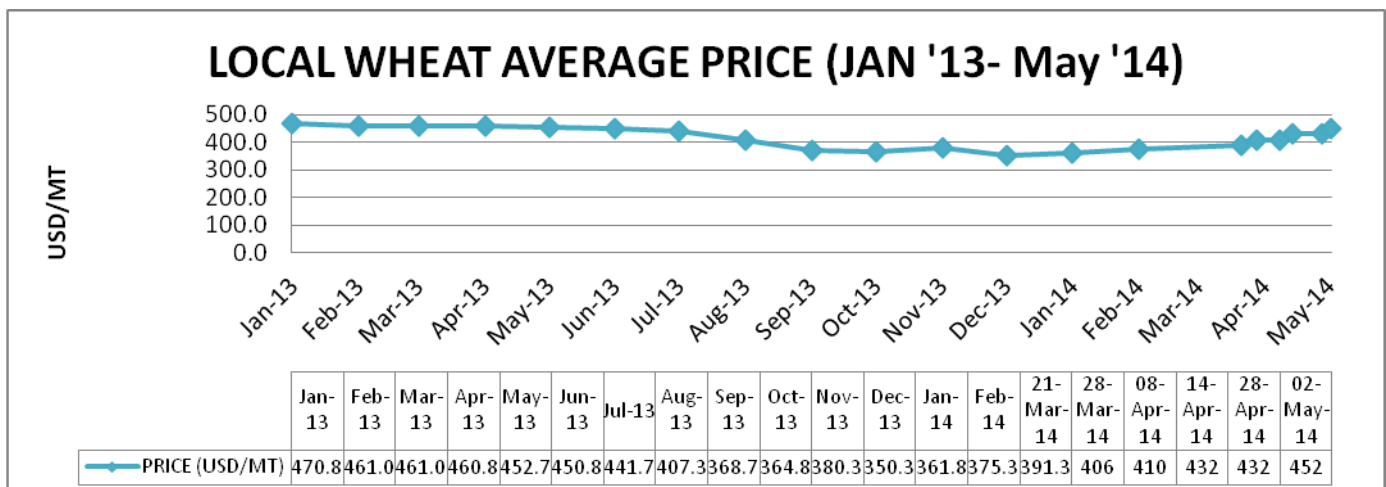
FERTILIZER

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



WHEAT Highlights

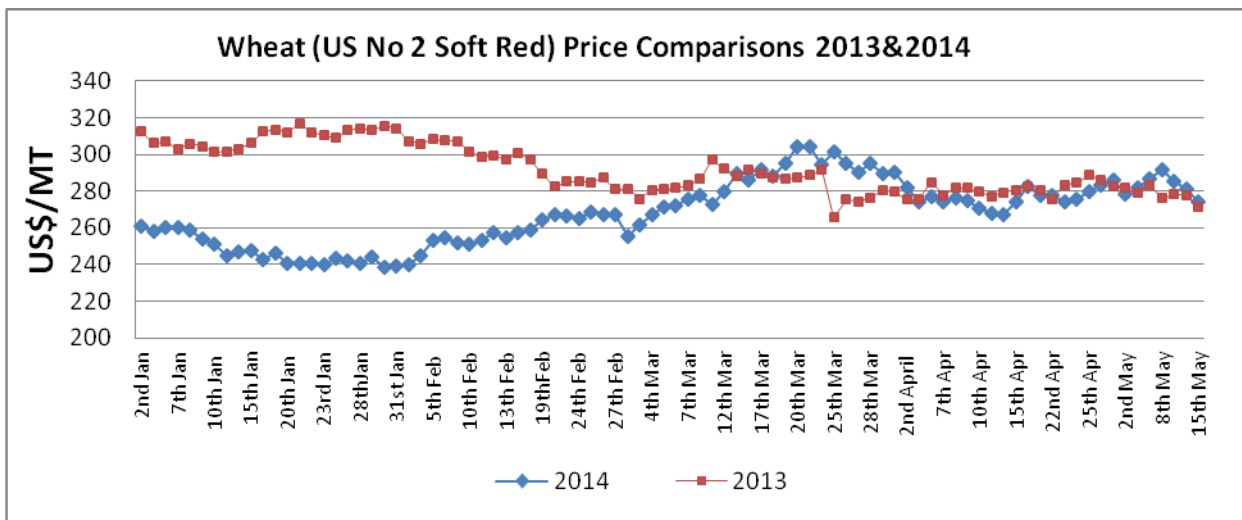
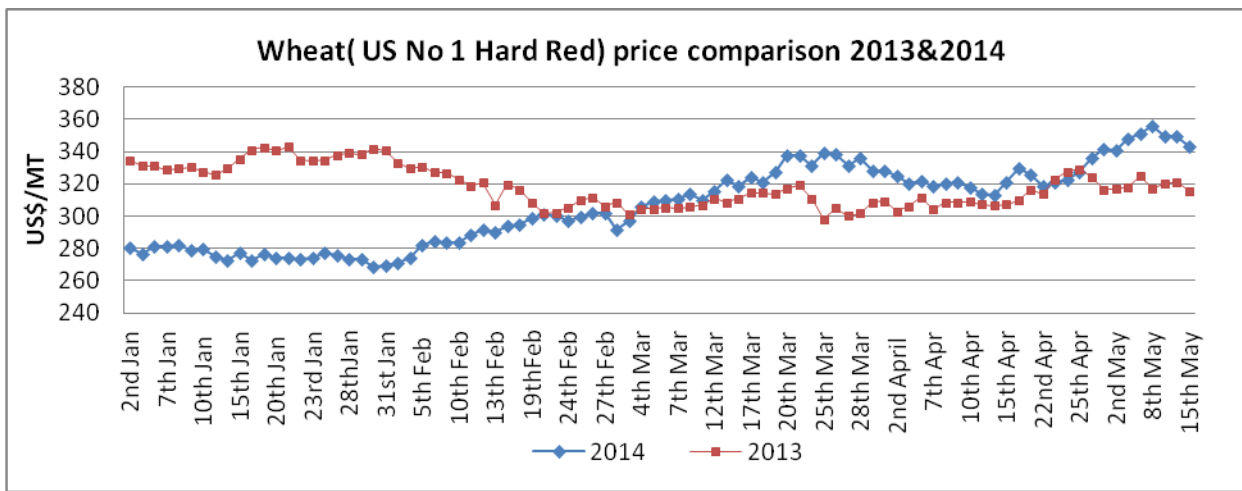
- Global wheat production is forecast to drop from last year's production though the exportable surplus is projected to be ample. Production from the Black Sea Region, Particularly Ukraine, the United States, the Middle East and Morocco is expected to drop. South America, Egypt Tunisia and Algeria on the other hand are expected to increase their output by the USDA. Production has been pegged at 697.035 million tons for the 2014/15 year against an estimated consumption of 696.150 million tons.
- CME prices for July delivery closed Friday trading at US\$247.72/ton
- 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 international soft red and hard red average wheat prices for last week settled at US\$280.17/MT and US\$347.59/MT respectively, 0.43 and 1.58 percent below the average prices recorded in the previous week. All prices are fob gulf.



Source: Safex

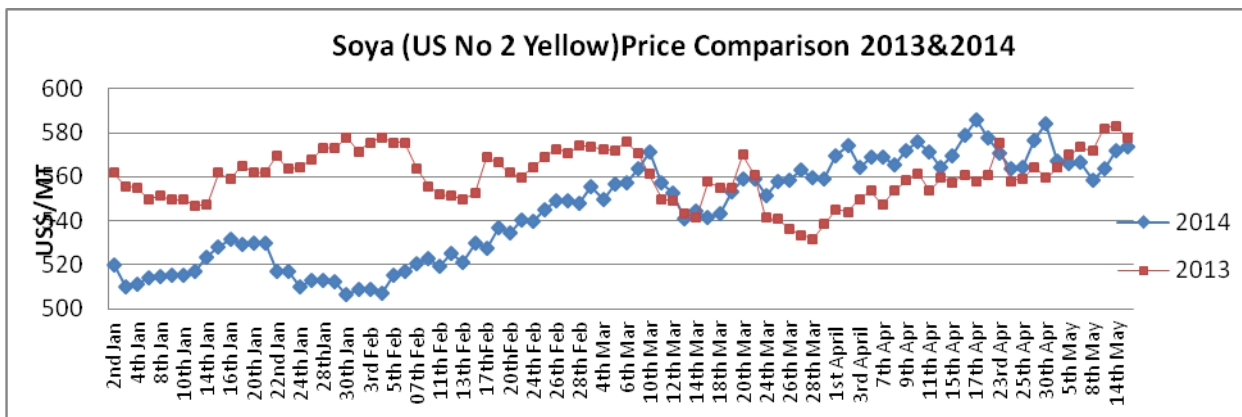
SOYA BEANS

Highlights

- In the USDA's latest estimates for 2013/14, US soya beans end-stocks were revised down to 3.53Mt, 0.14Mt lower than in April, and the lowest level since 2003/04.
- China's demand for imported soybeans may be greater than previously projected coming in at 70.7 million metric tons of soybeans in the 2013-14 season according to oil world. This is above April's 70.5 million-ton estimate and about 18 percent more than the previous year.
- In related news, soybeans inventories in the U.S are projected to fall to a 10-year low of 3.53 million tonnes by the end of the 2013-14 season, 0.14 million tonnes lower than the April forecast.
- The USDA left Soya beanS production in Brazil and Argentina unchanged at 87.5Million tonnes and 54Milion tonnes respectively.
- The Chicago soybeans futures price for delivery in July settled at US\$ 190.1/MT on Friday 16th may close of day
- On the local market, soybeans prices have come under pressure as the new crop begins to enter the market. Prices are now in the range of K2-2.75/Kg.

Price trends

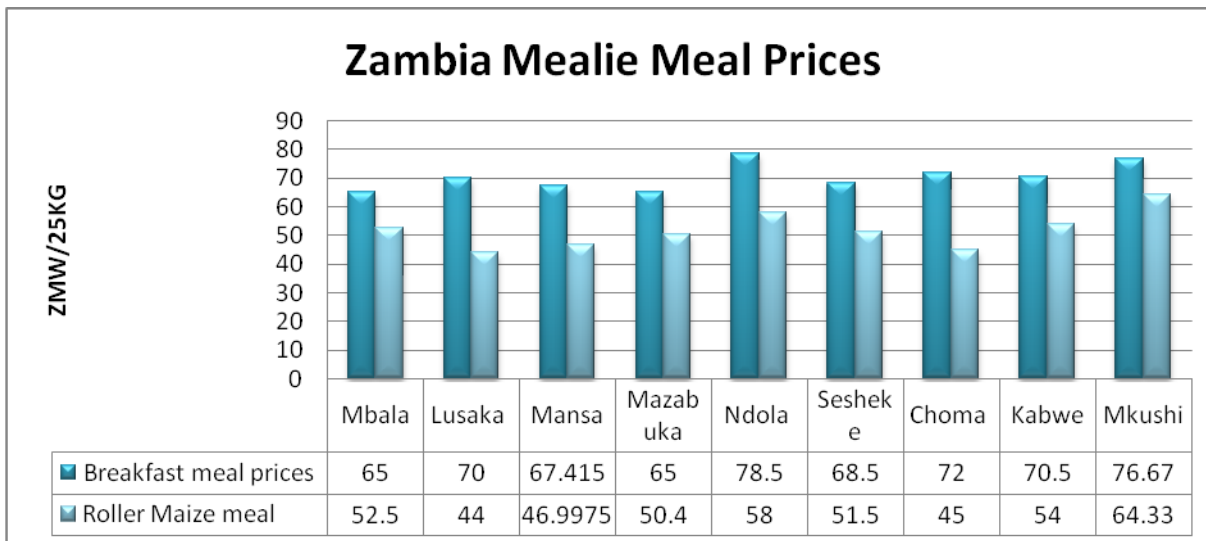
Last week's average international price of US No. 2 yellow soya beans on Safex settled at US\$569.79/MT below the previous' week's average of US\$564.59/MT.



Source: Safex

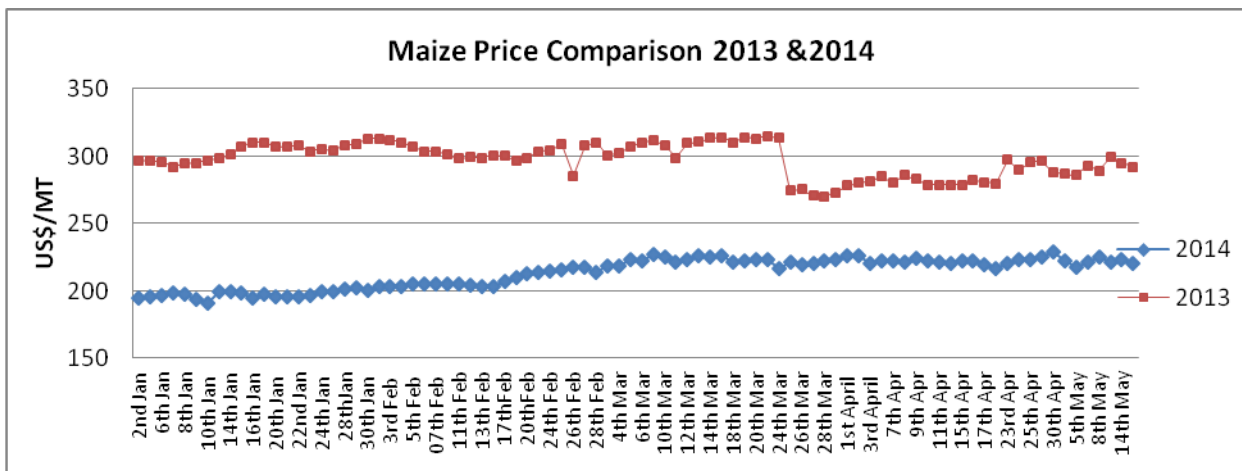
Maize Highlights

- The latest supply and demand estimates for 2013/14 from the USDA were released on Friday (9 May). The biggest change was an increase of 5 Million tonnes to global maize production, bringing this year's figure to 979 Million tonnes, with higher expected yields more than offsetting the year-to-year reduction in planted area. The maize yield is projected at 165.3 bushels per acre, up 6.5 bushels from 2013/14.
- South African white maize futures dropped to the lowest level in more than 2 1/2 years, following a decline in global prices as world reserves of the grain climb. White maize for delivery in July fell 0.9 percent to 1,900.20 rand (\$183) a metric ton by the close on the South African Futures Exchange in Johannesburg on Friday 16th.
- Global reserves of the grain will climb 7.9 percent to 181.73 million tons and the highest since 2000, the U.S. Department of Agriculture said.
- The Chicago maize futures price for delivery in July was pegged US\$ 190.1/MT on Friday 16th may close of day.
- On the local market, prospects of a bumper harvest have seen maize prices on the downward trend the past week, prices of the commodity ranged between K1-1.55/KG in the week ending 16th may.
- The graph below shows Mealie meal prices for selected districts as captured by ZNFU regional offices.



Price trends

The average international price on Safex price of US No. 2 Yellow maize for last week settled at US\$221.46/ton slightly lower than the previous week's price of US\$221.65/ton.



Source: Safex

COTTON Highlights

- The USDA has pegged the global production of cotton at 25.138 million with ending stock expected to be 22.134 million tons
- The Chinese cotton policy which came in effect in April favours the consumption of local Chinese cotton as opposed to imports. As a result of this, stocks of cotton held outside China are expected to increase for the first time in three years during the 2014/15 marketing year. The USDA has also forecast global trade in cotton to drop by 10 percent.
- Cotton prices are however expected to be high as Chinese cotton is expected to be off the international market.
- On Friday, 15:30hrs CAT, cotton prices on Cotlook were pegged at 92.55 cents/pound (≈US\$2.03/Kg)

BEEF

Highlights

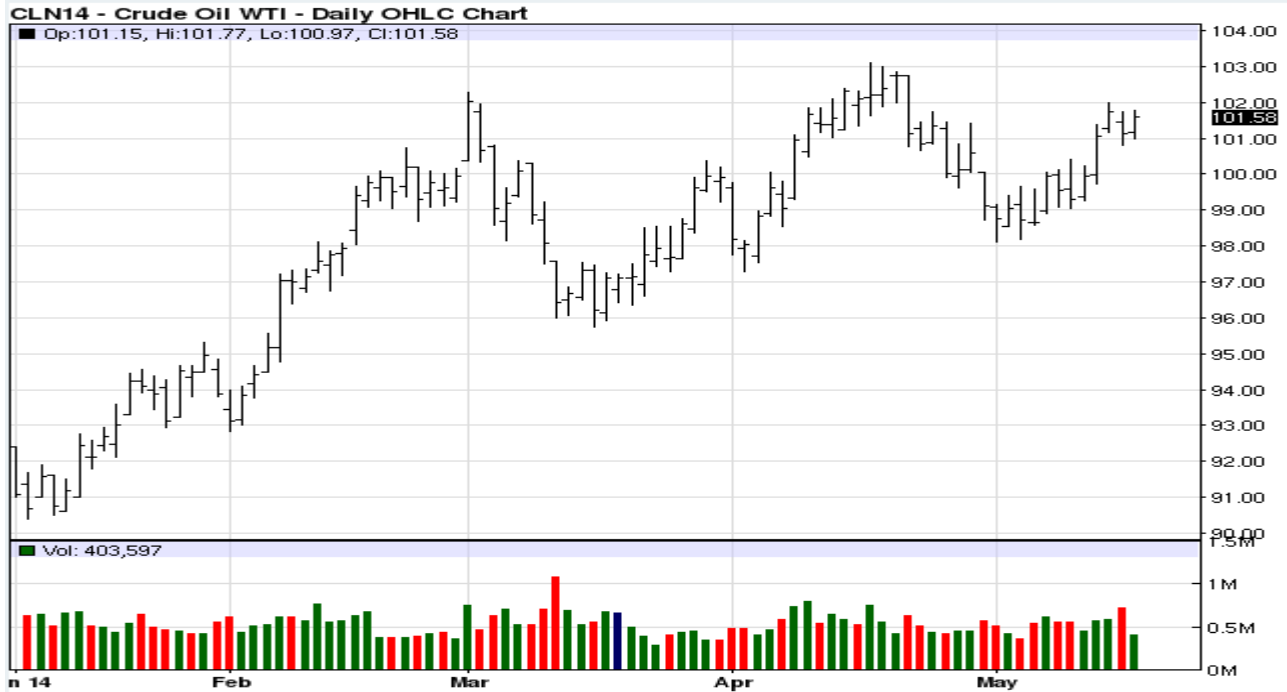
- The Namibian and South African governments have agreed to establish a technical committee to review the stringent veterinary measures South Africa imposed on Namibian livestock exports. The two parties hope to reach a conclusion by end of May 2014. According to government statics, Namibia annually exports 160,000 weaners, 90,000 sheep and 240,000 goats.
- South Africa's beef prices traded lower in the week ending 9th may in comparison to the previous week. ABSA has attributed this partly to the striking mine workers resulting in reduced demand of the commodity in the mining communities. Class a meat was trading at R34.10/Kg and Class C meat at R22.80/Kg. The landed import price of beef trimmings from Namibia and Botswana was higher and hovering around R45.80/Kg.
- On the Namibian market, Grade A0 beef was trading in the range of R32-33.36 per Kg.
- The CME live cattle price for August 2014 delivery as of 16th May settled at 137.80 cents/pound (US\$ 3.03/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.



Source: CME Group

Crude Oil Highlights

- The International energy agency has revised upwards its global crude oil demand on the basis of first quarter figures. The 2014 global oil demand now stands at 92 million barrels/day.
- The United States is considering amending its law that bans export of crude oil. The country is expected to become the world's largest oil producer by the International Energy Agency.
- International crude oil prices have maintained their upward thrust. By close of business on the 16th of May, WTI oil was going for US\$101.58 per barrel. Brent on the other hand was hovering around US\$109.73 per barrel.



Source :oil prices.com

Average Stock Feed Prices

	Unit	Kabwe	L/stone	Mkushi	Mazabuka	Choma
BROILER FEEDS						
Broiler Starter	50kg	163.125	171.6	172.2	162	165
Broiler Grower	50kg	159.75	169.3	169.5	160.75	158
Broiler Finisher	50kg	155.25	166.3	168	158.75	158
Broiler Withdrawal/Post finisher	50kg					
LAYER FEEDS						
Pullet Starter	50kg	138.5				139
Pullet Grower	50kg	129				145
Pullet Developer	50kg	121.5			105	136
Layer 96	50kg	121.66	138			138
Layer 95	50kg	128	141		113.75	146.5
Layer 100	50kg	123			131.5	139
Layer 105	50kg	121	135.5		105	
Layer 115	50kg	116			107.75	
PIG FEEDS						
Pig Creep	50kg					125
Pig Weaner	50kg	168			137	222
Pig Grower	50kg	148.16			136	155
Pig Finisher	50kg				107	138
Sow and Boar Mash	50kg	121			118	129
Pig Lactating Soar	50kg	162			113	160
CATTLE FEEDS						
Calf Starter	50kg				128	15
Dairy 19(Urea)	50kg	101			129	119.5
CONCENTRATES						
Broiler Starter Concentrate	50kg				212.5	
Broiler Grower Concentrate	50kg				130	253
Broiler Finisher Concentrate	50kg				126	206
Pig Weaner Concentrate	50kg				239	
Pig Grower Concentrate	50kg	151.5			254	169
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	

ZRA Data on Selected Agricultural Commodities

Commodity	Unit		Jan	Feb	Mar
Edible oils /products					
	Metric				
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	-	-	-
Grains /Cereals					
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
Livestock/Livestock products					
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
Cattle weaner		Import	104.8	200	252
		Export	-	-	-
Dairy products					
Full cream Milk		Import	148.5666	109.91	21
		Export	150	15.03	10.695
Powdered Milk for reconstitution		Import	-	88.4598	-
		Export	-	-	-
Others					
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

Note: Please let us know your comments and views on items contained within this issue or any other issues of the Agro Watch by sending an email to us on info@znfu.org.zm