



# THE WEEKLY AGRO WATCH



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Vol.11 27<sup>th</sup> 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= K6.77

Prices as at 23<sup>rd</sup> May ,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	1000	147.7	1100	162.5	1500	221.6	1350	199.4	1200	177	1200	177.3	1250	184.6	1200	177.3	1200	177.3
Wheat					2900	428.4	2300	339.7			2400	354.5	2604	384.6	2500	369.3	2300	339.7
Soybeans	1800	265.9	2000	295.4	2650	391.4	2400	354.5	2100	310	2420	357.5	2350	347.1	2400	354.5	2350	347.1

## Import Parity Prices

The following import parity prices were compiled by ZNFU as at 23<sup>rd</sup> May, 2014.

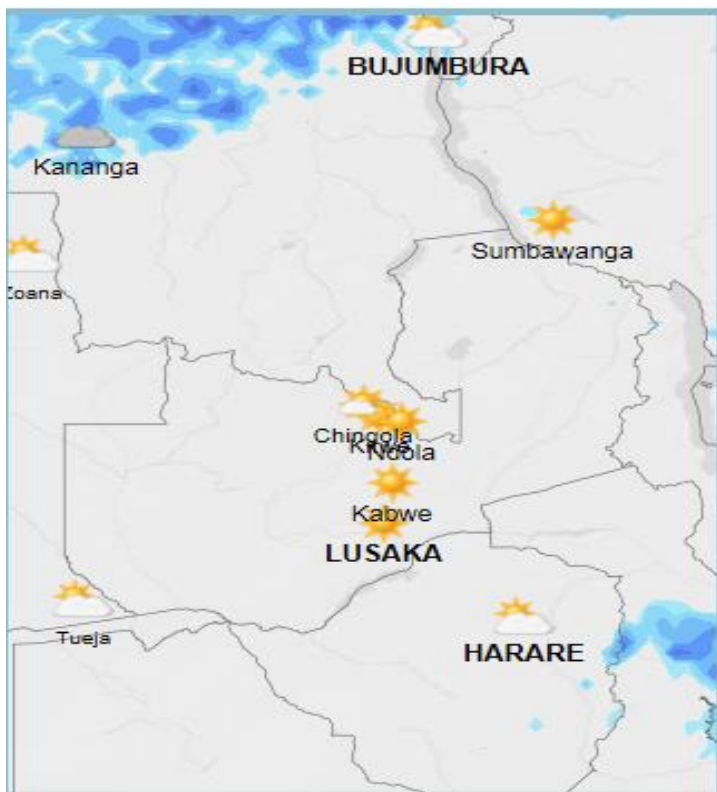
Domestic Import Parity Prices as at 23/05/2014					
Parity Prices		US\$/ZMK	Maize	Soya	Wheat
Lusaka		6.7	377.57	756.20	466.47
Town	ZMK	\$	\$	\$	\$
Chipata	275	41.04	418.61	797.25	507.52
Mkushi	225	33.58	411.15	789.78	500.05
Ndola	250	37.31	414.88	793.51	503.79
Kitwe	250	37.31	414.88	793.51	503.79

## Exchange Rates

CURRENCY	23/05/2014						16/05/2014					
	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)	6.70	6.84	0.65	0.67	11.31	11.53	6.61	6.74	0.64	0.65	11.10	11.32
Standard Chartered Bank	6.69	6.82	0.65	0.66	11.29	11.51	6.57	6.71	0.64	0.65	11.04	11.26
ZANACO	6.69	6.83	0.64	0.66	11.23	11.52	6.58	6.71	0.63	0.65	11.00	11.28
Bank of Zambia	6.76	6.78	0.652	0.655	11.39	11.42	6.64	6.66	0.64	0.65	11.17	11.21

## Weather Update

The table summarizes the weather forecast for some selected towns for the period 27<sup>th</sup> May to 2<sup>nd</sup> June 2014.



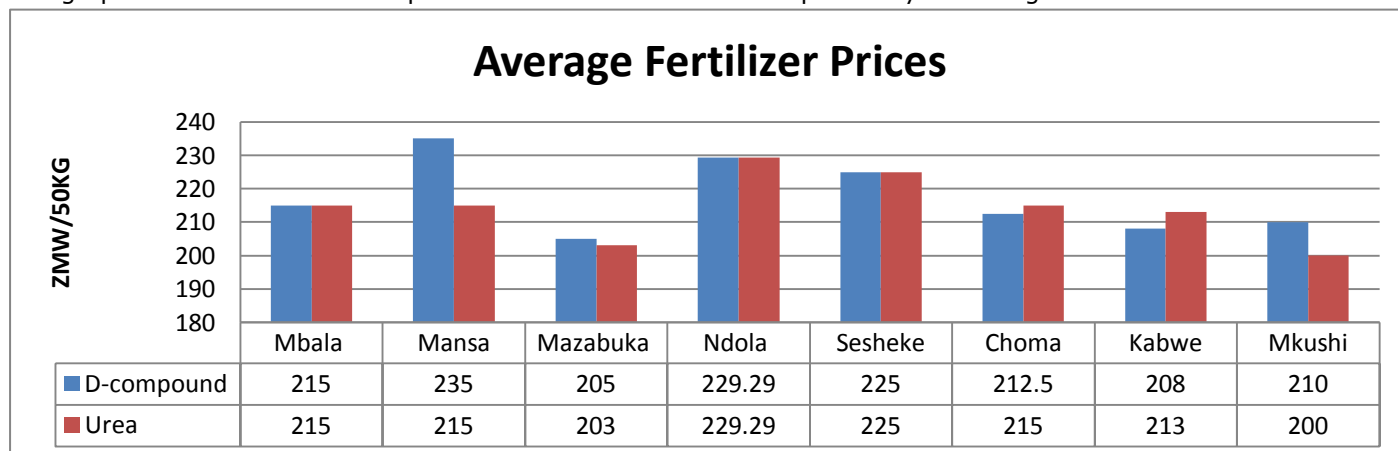
TOWN	WEATHER SUMMARY
<b>Ndola</b>	<ul style="list-style-type: none"> <li>➤ Tuesday and Wednesday are expected to be partially cloudy with the rest of the days having clear sunny skies.</li> <li>➤ Average Daily Temperatures: 24-27°C.</li> <li>➤ Light and gentle breeze throughout the week.</li> </ul>
<b>Mkushi</b>	<ul style="list-style-type: none"> <li>➤ Tuesday and Wednesday are expected to be partially cloudy with the rest of the days having clear sunny skies.</li> <li>➤ Average Daily Temperatures: 23-27°C</li> <li>➤ Light and gentle breeze throughout the week</li> </ul>
<b>Kabwe</b>	<ul style="list-style-type: none"> <li>➤ Clear sunny skies throughout the week with no precipitation.</li> <li>➤ Average Daily Temperatures: 23-27°C</li> <li>➤ Light and gentle breeze throughout the week</li> </ul>
<b>Lusaka</b>	<ul style="list-style-type: none"> <li>➤ Clear sunny skies throughout the week except for Tuesday when it is expected to be fairly cloudy.</li> <li>➤ Average Daily Temperatures: 22-26°C</li> <li>➤ Light and gentle breeze throughout the week.</li> </ul>
<b>Mazabuka</b>	<ul style="list-style-type: none"> <li>➤ Clear sunny skies throughout the week except for Tuesday when it is expected to be fairly cloudy.</li> <li>➤ Average Daily Temperatures: 24-27°C</li> <li>➤ Light and gentle breeze throughout the week.</li> </ul>
<b>Choma</b>	<ul style="list-style-type: none"> <li>➤ Tuesday and Wednesday are expected to be partially cloudy with the rest of the days having clear sunny skies.</li> <li>➤ Average Daily Temperatures: 21-25°C</li> <li>➤ Light breeze throughout the week</li> </ul>

Source: Norway meteorological Institute

## Commodity Highlights

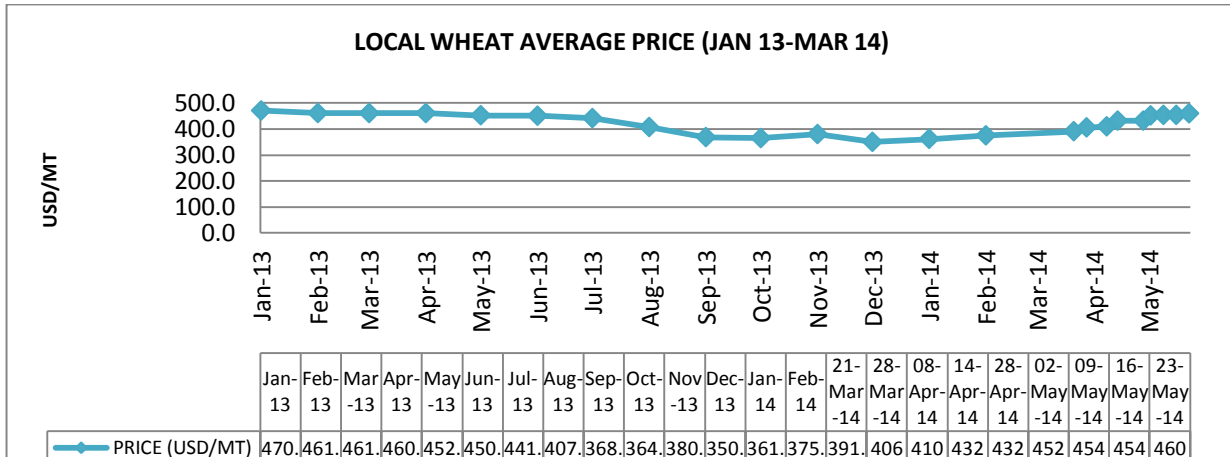
### FERTILIZER

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



## WHEAT Highlights

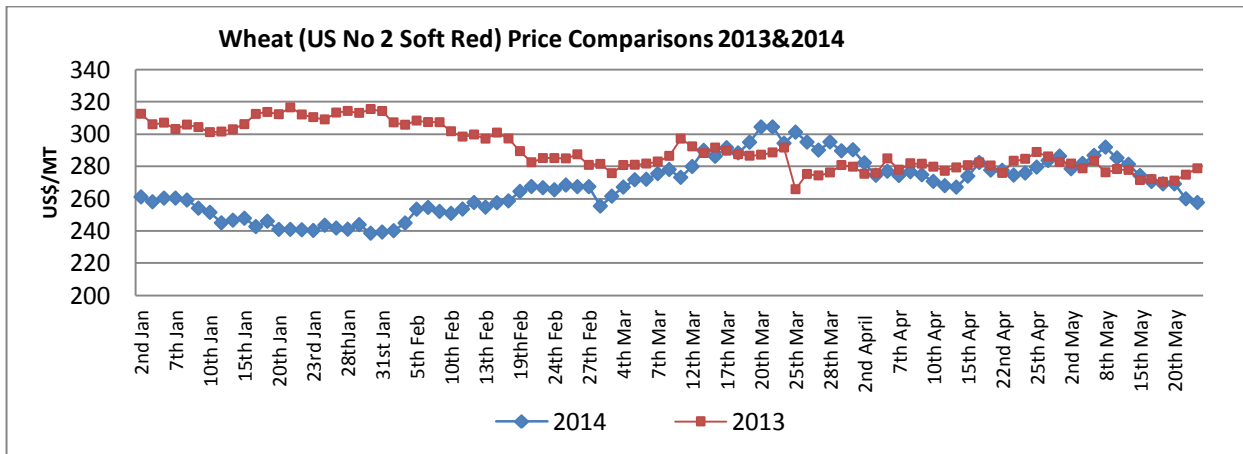
- China, the world's top producer of wheat, raised its state purchase price for the grain by 5.4 percent in major wheat growing areas to help boost farmers' incomes. The floor price for wheat was set at 2,360 yuan (\$380) per tonne for 2014, up from last year's 2,240 yuan per tonne, said the National Development and Reform Commission (NDRC).
- China is expected to reap a bumper winter wheat harvest starting next month, with output estimated to rise 1.5 percent to 117.6 million tonnes.
- The Chicago July contract price for wheat settled at US\$243/MT on Friday 23<sup>rd</sup> May.
- On the domestic market, demand for wheat grain continues to be strong and this saw wheat prices maintain a bullish rally during the week ending 23<sup>rd</sup> May. Wheat prices ranged between USD410 -460/MT. Meanwhile, new season wheat planting is still underway.
- The graph show wheat price trends :

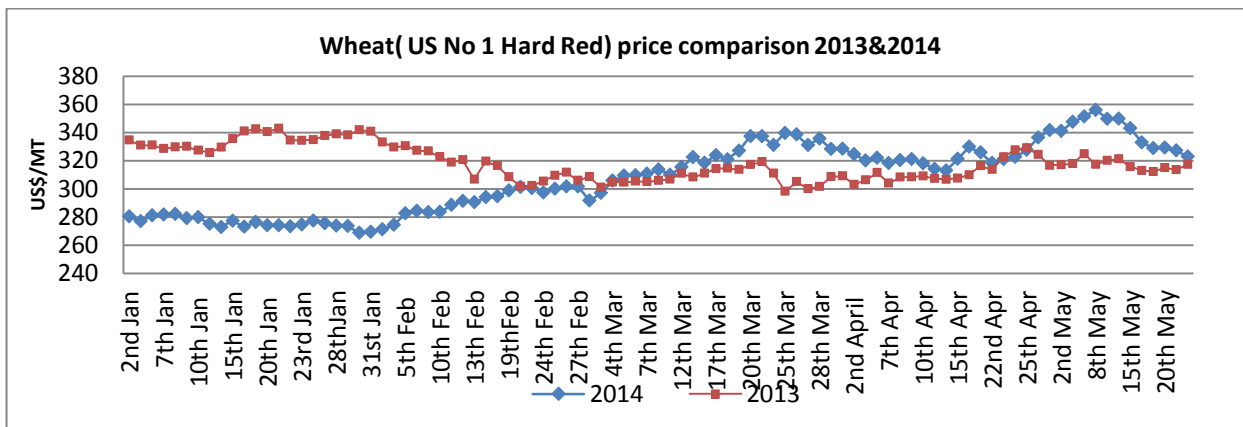


Source :4455 ZNFU

## Price trends

The Safex international soft red and hard red average wheat prices for last week settled at US\$265.17/MT and US\$328.30/MT respectively, 5.35 and 5.55 percent below the average prices recorded in the previous week. All prices are fob gulf.





Source: Safex

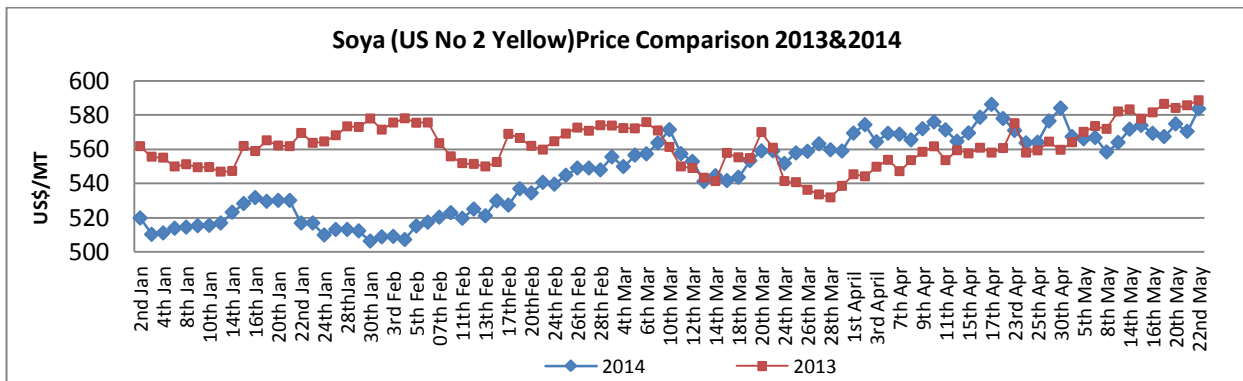
## SOYA BEANS

### Highlights

- Soybeans futures in the U.S. rallied in the week ending 23<sup>rd</sup> May hitting contract highs as relentless demand strengthened worries about shrinking short-term supplies in the United States. According to Reuters, the oilseed was poised to rise more than 3.5 percent as Soybean old crop supplies in the U.S. are tight which is supportive to the soybeans prices.
- The Chicago contract soybeans prices for delivery in July settled at US\$ 600/MT on Friday 23<sup>rd</sup> May.
- Soybeans prices on the local market remain average ranging between K2-2.6/KG.

### Price trends

Last week's average international price of US No. 2 yellow soya beans on Safex settled at US\$573.04/MT, 0.57 percent above the previous' week's average of US\$569.79/MT.



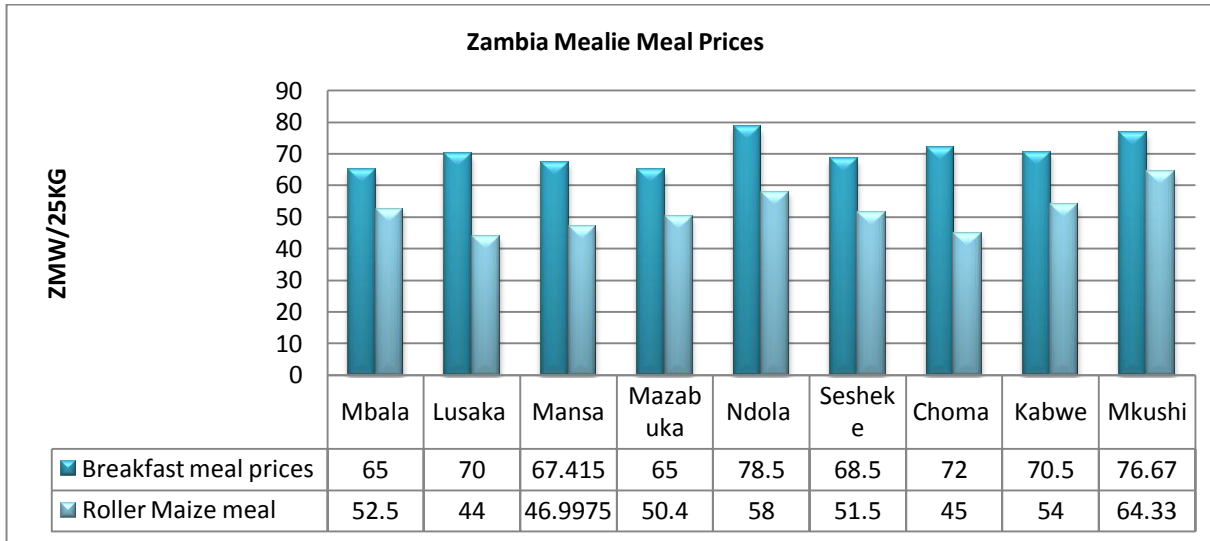
Source: Safex

## Maize

### Highlights

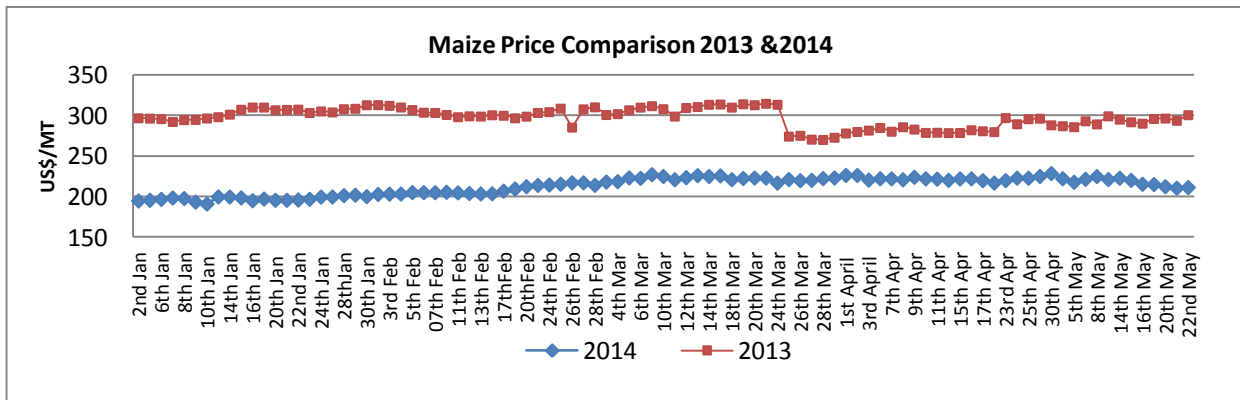
- The Kenyan government has banned importation of maize seed that hasn't been tested by the Kenya Plant Health Inspectorate Service in a bid to address the viral diseases that have wreaked havoc in parts of the country. According to local media, KPHI has directed all seed companies to hand over samples of the maize seeds before they were allowed into the country.
- Maize exports during the first four months in Brazil are reported to have fallen by 35% compared to the same period in 2013. With reduced Brazilian maize production and a reduction in maize acreage in the U.S., many Brazilian farmers are expecting improved maize prices going forward, thus the slow selling. Brazil is expecting a 75.2 million ton crop in 2013/14 compared to 81.5 million tons of maize produced in 2012/13.
- The Chicago July contract for maize settled at US\$188/MT on Friday 23<sup>rd</sup> May.

- On the domestic market, maize supply on the market is steadily growing and this has put maize prices under pressure especially that Zimbabwe, one of Zambia's export destinations for the grain has still not started issuing import permits.



## Price trends

The average international price on Safex price of US No. 2 Yellow maize for last week settled at US\$212.99/ton lower than the previous week's price of US\$221.46/ton.



Source: Safex

## COTTON Highlights

- The battle rages on in Zimbabwe over pricing. As the Zimbabwe Commercial farmers' Union fights to be allowed to negotiate on behalf of the farmers, media reports indicate ginners are offering to buy the cotton crop in the range of 29-40 cents/kg whereas farmers are hoping for a price in the range of 80-90cents/kg.
- On Friday, 15:39hrs CAT, cotton prices on Cotlook were pegged at 90.85 cents/pound ( $\approx$ US\$2.17/Kg)

## BEEF

### Highlights

- The Australian beef cattle herd has declined by about 2 million from Mid-2012 to 2014 according to Meat and Livestock Australia. Poor breeding conditions, droughts and export demand are some of the factors that have led to a reduction to the herd size. The Australian herd size is estimated to be just below 27 million.

- South Africa's beef prices traded lower in the week ending 16<sup>th</sup> May in comparison to the previous week. Class A meat fell by 0.26 percent to R33.95/Kg and Class C meat closed the week 0.41 percent lower at R21.90/Kg. The landed import price of beef trimmings from Namibia and Botswana was higher and hovering around R45.20/Kg.
- On the Namibian market, Grade A0 beef was trading in the range of R32-33.36 per Kg for the week ending 19<sup>th</sup> May 2014.
- The CME live cattle price for August 2014 delivery as of 23<sup>rd</sup> May settled at 137.80 cents/pound ( US\$ 3.03/kg).
- On the domestic market, prices for standard beef traded in the range of K12-19/kg, this is as captured by the ZNFU 4455 price information system.



Source: CME Group

## Crude Oil Highlights

- Petro Poroshenko has been elected as the new President of Ukraine. All eyes are on Poroshenko to see how he will fulfil his pledges to end the Tension between Russia and Ukraine over the Crimea Peninsula.
- International crude oil prices are still on an upward rally with Brent futures trading around US\$110.54 per barrel early Monday morning while WTI crude oil was going for US\$104.35 per barrel.

### Brent Crude Oil Futures \$/barrel



Source: BBC Business

## Average Stock Feed Prices

	Unit	Kabwe	L/stone	Mkushi	Mazabuka	Choma
<b>BROILER FEEDS</b>						
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	50kg					
<b>LAYER FEEDS</b>						
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	
<b>PIG FEEDS</b>						
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
<b>CATTLE FEEDS</b>						
Calf Starter	50kg				128	15
Dairy 19(Urea)	50kg	101			129	119.5
<b>CONCENTRATES</b>						
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	50kg				157	
Pig Lactating Soar	50kg				157	
<b>BRAN</b>						
Wheat bran	25kg					
Maize bran	25kg			16	18	

## ZRA Data on Selected Agricultural Commodities

Commodity	Unit		Jan	Feb	Mar
<b>Edible oils /products</b>					
Cooking oil	Metric	Import	<b>1958</b>	1086	1364.177
		Export	-	589.7	690.715
Crude palm oil		Import	<b>1945.611</b>	3019.5	2794.8
		Export	-	-	-
Crude Soya oil		Import	<b>648.21</b>	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
Cattle weaner		Import	104.8	200	252
		Export	-	-	-
<b>Dairy products</b>					
Full cream Milk		Import	148.5666	109.91	21
		Export	150	15.03	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

**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](mailto:info@znfu.org.zm)