



# THE WEEKLY AGRO WATCH



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## Industry Updates

### International Food prices Fall in May

The average International food prices recorded a second consecutive fall in the month of May according to the Food and Agriculture Organization (FAO). The FAO Food Price Index averaged 207.8 points in May 2014, down 2.5 points (or 1.2 percent) from April and nearly 7 points, or 3.2 percent, below May 2013. After rising to a ten-month high of 213 points in March, the Index fell in April and again in May, pressured by lower dairy, cereal and vegetable oil prices. However, sugar made strong gains in May, while meat remained firm.

*In this week's issue:*

- ❖ *Local Cotton Prices edge higher*
- ❖ *International Food prices fall*

## 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= K6.53

Prices as at 6<sup>th</sup> June ,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	153.1	1100	168.5	1500	229.7	1350	206.7	1200	184	1300	199.1	1250	191.4	1200	183.8	1250	191.4
Wheat		0		0	2900	444.1	2600	398.2		0	2600	398.2	2700	413.5	2600	398.2	2800	428.8
Soybeans	2000	306.3		0	2650	405.8	2400	367.5	2100	322	2420	370.6	2350	359.9	2400	367.5	2350	359.9
Sunflower		0		0	1650	252.7	1300	199.1		0	1350	206.7	1450	222.1	1345	206	1390	212.9

## Import Parity Prices

The following import parity prices were compiled by ZNFU as at 6<sup>th</sup> June, 2014.

Domestic Import Parity Prices as at 6/06/2014					
		US\$/ZAR=10.67		US\$/ZMK=6.63	
Parity Prices		U\$/ZMK	Maize	Soya	Wheat
Town	ZMK	\$/ton	\$/ton	\$/ton	\$/ton
Lusaka		6.63	366.7	728.61	451.25
Chipata	275	41.48	408.18	770.09	492.73
Mkushi	225	33.94	400.64	762.55	485.19
Ndola	250	37.71	404.41	766.32	488.96
Kitwe	250	37.71	404.41	766.32	488.96

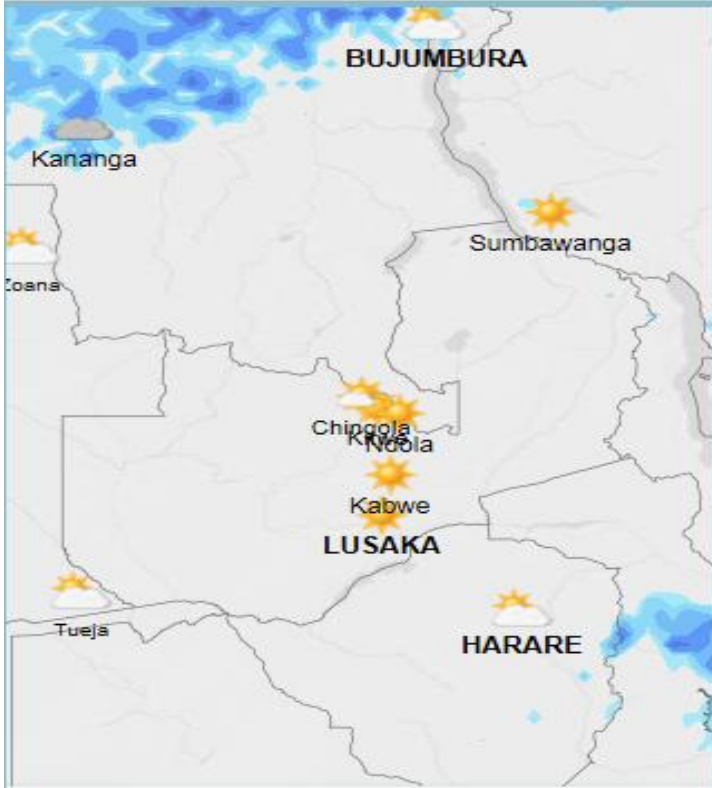
<b>Export Parity Price (EPP) Harare-Lusaka as at 06/06/14 in US\$/ton</b>	
Soya Beans	420.21
Wheat	361.18
Maize	280.74

## Exchange Rates

CURRENCY	06/06/2014 (29/05/14 for BoZ)						30/05/2014					
	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)	6.49	6.63	0.61	0.62	10.92	11.14	6.88	7.02	0.65	0.67	11.52	11.75
Standard Chartered Bank	6.58	6.71	0.61	0.63	11.05	11.27	6.84	6.98	0.67	0.68	11.45	11.68
ZANACO	6.55	6.89	0.61	0.63	10.96	11.25	6.93	7.07	0.67	0.68	11.54	11.84
Bank of Zambia (BOZ)	6.44	6.46	0.607	0.609	10.83	10.86	6.80	6.82	0.650	0.652	11.35	11.39

## Weather Update

The table summarizes the weather forecast for some selected towns for the period 9<sup>th</sup> to 15<sup>th</sup> June 2014.



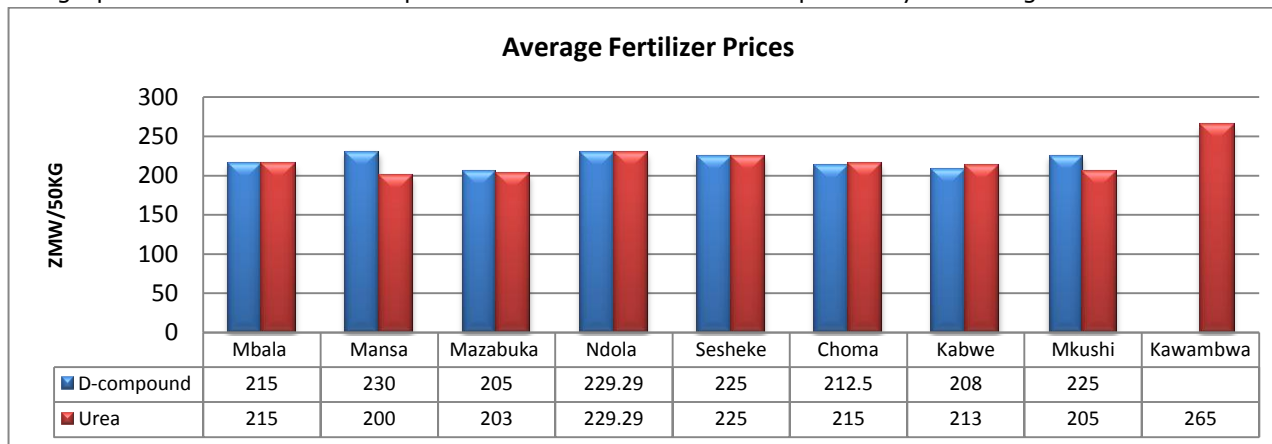
TOWN	WEATHER SUMMARY
<b>Ndola</b>	<ul style="list-style-type: none"> <li>➤ Fairly cloudy skies on 9<sup>th</sup> -12<sup>th</sup> and 15<sup>th</sup>. The 13<sup>th</sup> is expected to be partly cloudy and clear sunny skies are anticipated on the 14<sup>th</sup>.</li> <li>➤ Average Daily Temperatures: 20-25°C.</li> <li>➤ Light and gentle breeze throughout the week.</li> </ul>
<b>Mkushi</b>	<ul style="list-style-type: none"> <li>➤ 9<sup>th</sup> &amp;13<sup>th</sup> forecast to be partly cloudy,12<sup>th</sup>&amp;15<sup>th</sup> fairly cloudy and clear skies the rest of the week</li> <li>➤ Average Daily Temperatures: 20-25°C</li> <li>➤ Light and gentle breeze throughout the week</li> </ul>
<b>Kabwe</b>	<ul style="list-style-type: none"> <li>➤ 13<sup>th</sup> is expected to be cloudy, 9<sup>th</sup> -partly cloudy, 14<sup>th</sup> -fairly cloudy with the rest of the week having clear sunny skies.</li> <li>➤ Average Daily Temperatures: 19-24°C.</li> <li>➤ Light and gentle breeze throughout the week</li> </ul>
<b>Lusaka</b>	<ul style="list-style-type: none"> <li>➤ 14<sup>th</sup> is expected to be cloudy, 13<sup>th</sup> -partly cloudy, 9<sup>th</sup> &amp;10<sup>th</sup> -fairly cloudy with the rest of the week having clear sunny skies</li> <li>➤ Average Daily Temperatures: 19-23°C.</li> <li>➤ Light and gentle breeze throughout the week.</li> </ul>
<b>Mazabuka</b>	<ul style="list-style-type: none"> <li>➤ 14<sup>th</sup> is expected to be cloudy, 12<sup>th</sup>&amp;13<sup>th</sup> - partly cloudy, 9<sup>th</sup> -fairly cloudy with the rest of the week having clear sunny skies</li> <li>➤ Average Daily Temperatures: 20-25°C .</li> <li>➤ Light and gentle breeze throughout the week.</li> </ul>
<b>Choma</b>	<ul style="list-style-type: none"> <li>➤ 13<sup>th</sup> &amp;14<sup>th</sup> are expected to be partly cloudy, 9<sup>th</sup>&amp;12<sup>th</sup> -fairly cloudy with the rest of the week having clear sunny skies</li> <li>➤ Average Daily Temperatures: 18-22°C.</li> <li>➤ Light and gentle breeze throughout the week</li> </ul>

Source: Norway meteorological Institute

## Commodity Highlights

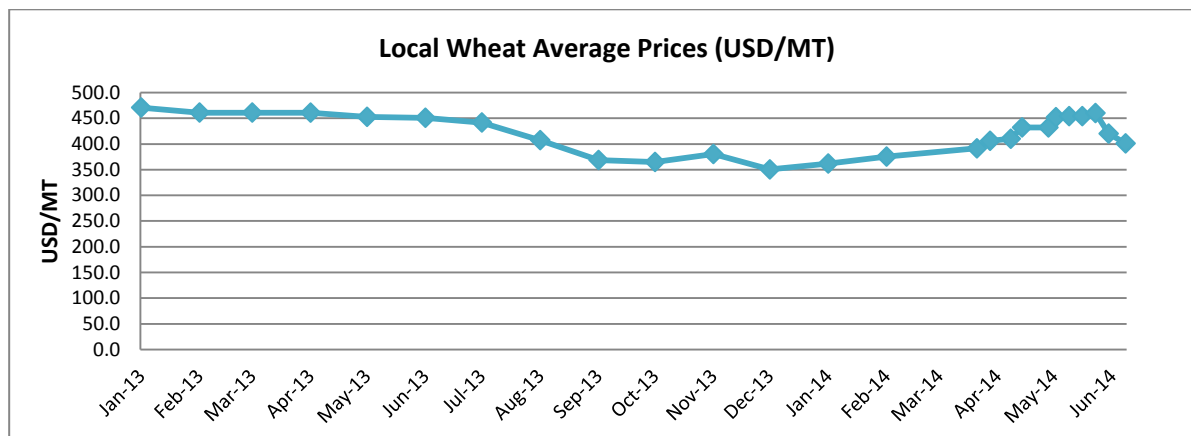
### FERTILIZER

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



### WHEAT Highlights

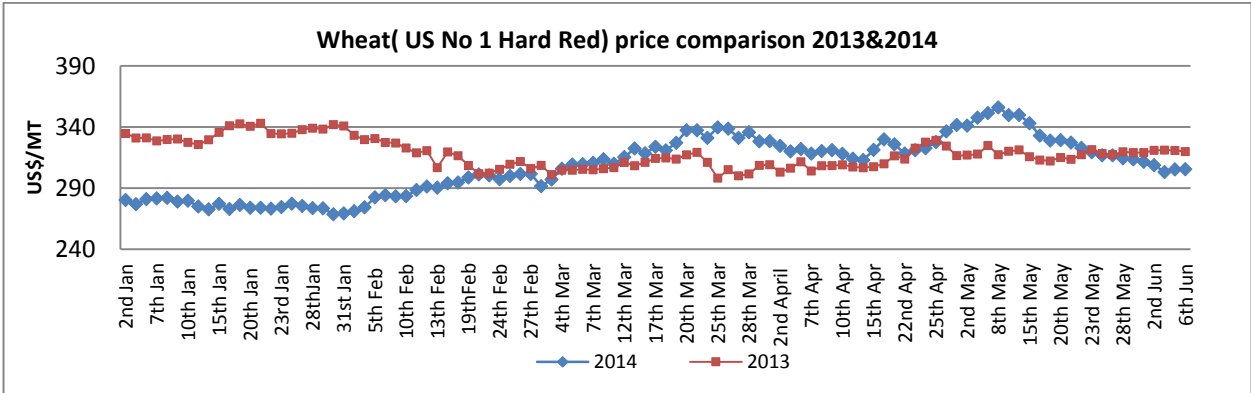
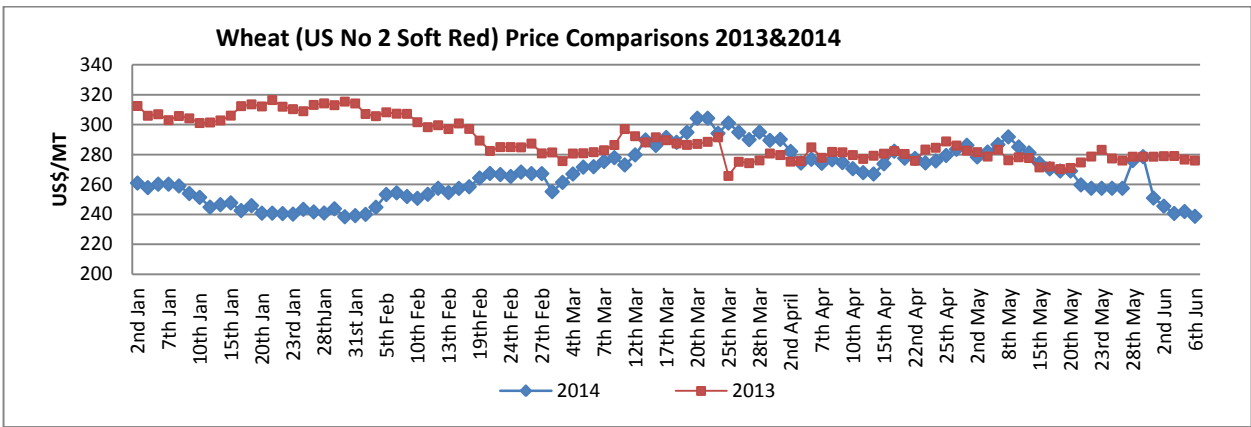
- Wheat futures in the past week fell on expectations of increased production in the European Union. The European commission lifted to 137.5 million from 135.9 million tonnes its estimate for soft wheat output. The upgrade reflected is on the backdrop of bigger estimates for both area at a bumper 23.9 million hectares and a yield pegged at 5.8 million tonnes per hectare.
  - The Chicago wheat futures for delivery in July settled at US\$ 227/MT on Friday 6<sup>th</sup> June, 2014.
  - On the local market, wheat is trading between ZMW2800 - 3000 per metric tonne.
- The graph show local wheat price trends:



Source: ZNFU 4455

### Price trends

The Safex international soft red and hard red average wheat prices for last week settled at US\$243.57/MT and US\$306.90/MT respectively, 8.23 and 2.96 percent below the average prices recorded in the previous week. All prices are fob gulf.

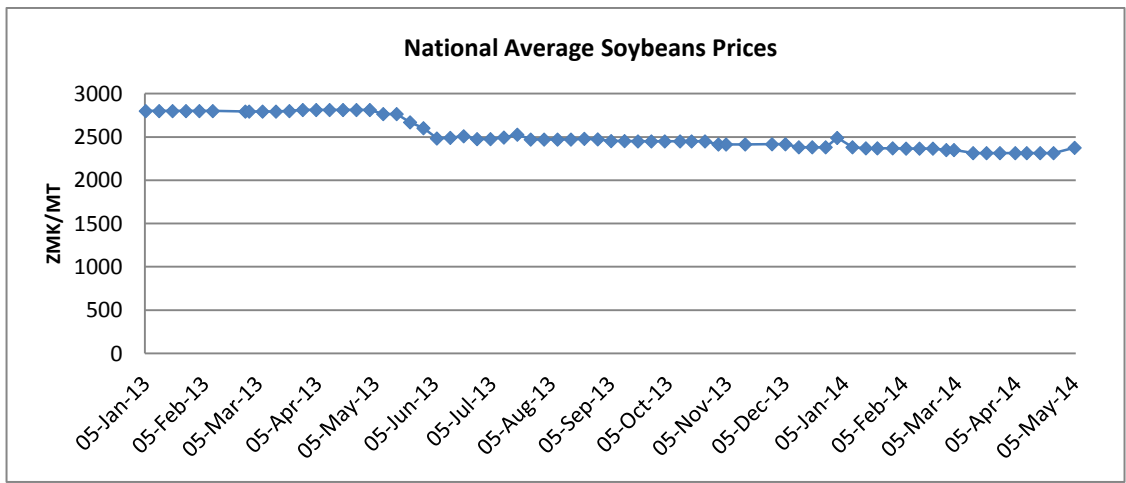


Source: Safex

## SOYA BEANS

### Highlights

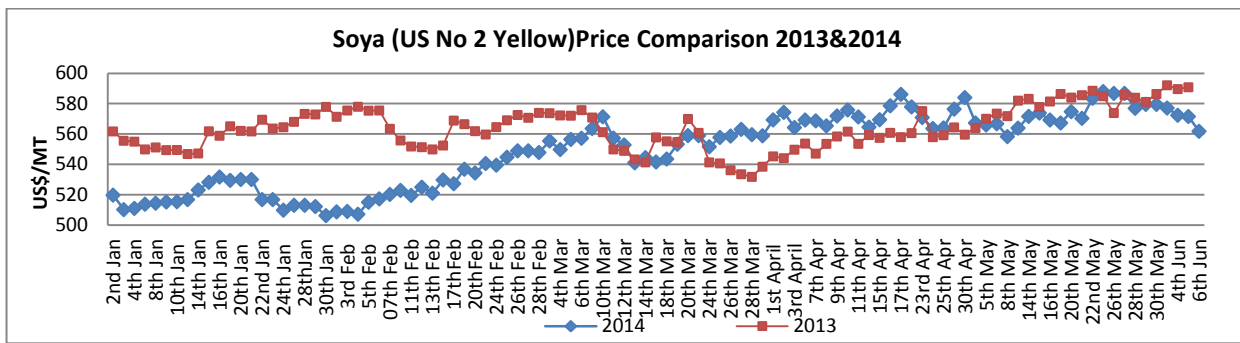
- The Grain Traders Association of Zambia during an oilseed stakeholders meeting held at ZNFU reported that a total 7,785 metric tons of soya beans had been exported to Botswana, South Africa and Zimbabwe between February and May 2014. A balance of 4,215 tons is yet to be exported for the export quota of 12,000 tons to be met.
- The Chicago soybeans futures for delivery in July settled at US\$ 535/MT on Friday 6<sup>th</sup> June, 2014.
- On the local market, Soybeans prices on the local market remain average ranging between K1.8-2.6/Kg.
- The graph below shows soybeans price trends :



Source: ZNFU 4455

### Price trends

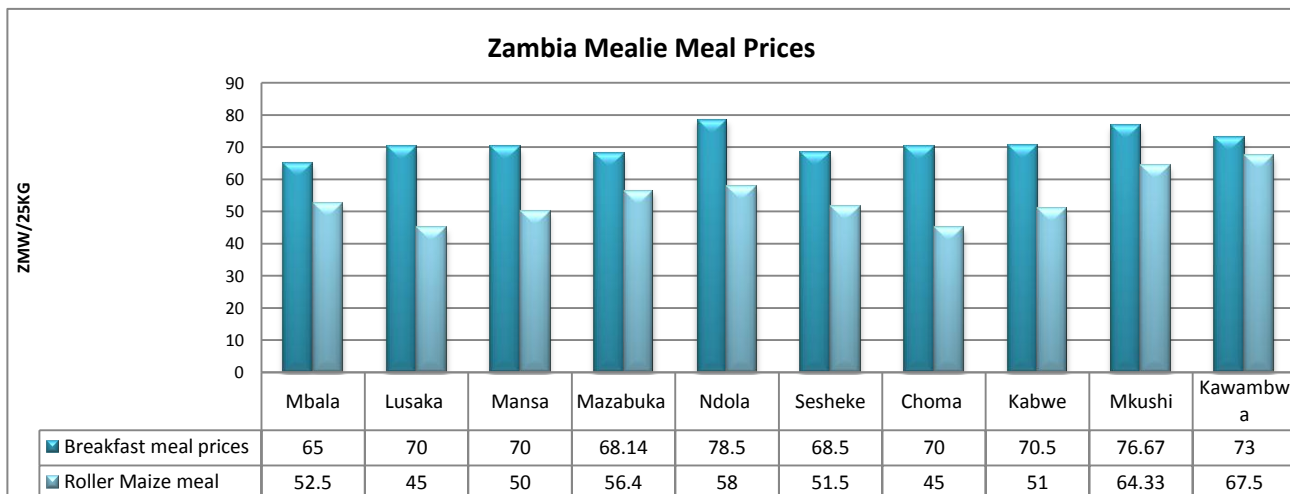
Last week's average international price of US No. 2 yellow soya beans on Safex settled at US\$572.48/MT, 1.98 percent below the previous' week's average of US\$583.61/MT.



Source: Safex

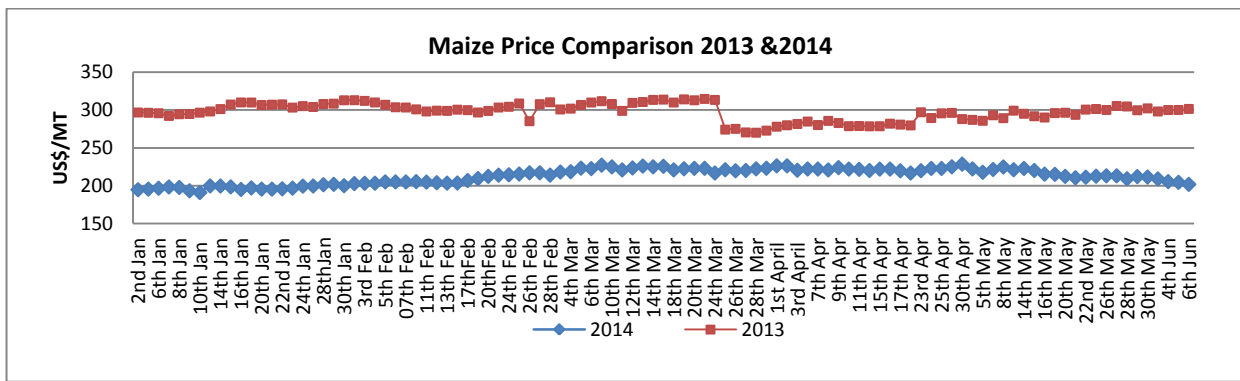
## Maize Highlights

- The Kenyan agriculture ministry forecasts a maize production of 1 million metric tonnes for the current season, helping meet demand for the staple food as the country imports and taps strategic reserves to plug a deficit. The East African nation currently faces a shortage of 720,000, 90-kilogram bags that will be covered by purchases from the region and the release of 500,000 bags from the national reserve
- Maize imports to Kenya from outside the East African Community common market, which also includes Tanzania, Uganda, Rwanda and Burundi, are subject to a 50 percent duty, according to an April report by the U.S. Foreign Agricultural Service.
- The Chicago maize futures for delivery in July settled at US\$ 180.7/MT on Friday 6<sup>th</sup> June, 2014.
- On the domestic market, maize prices are averaging around K1300 per metric tonne.



## Price trends

The average international price on Safex price of US No. 2 Yellow maize for last week settled at US\$206.56/ton lower than the previous week's price of US\$212.09/ton.



Source: Safex

## COTTON Highlights

- The International Cotton advisory council has forecast the 2014/15 cotton prices higher at 89 cents/pound on the backdrop of reduced output by the world’s biggest cotton grower, China. The forecast refers to the cotlook index A. ICAC has further projected a 30 percent, year-on-year, drop in Chinese Cotton imports.
- Meanwhile, India’s cotton production has been forecast to grow from about 5.38 million tons in 2012/13 year to 6 million tons in the 2013/14 season.
- Back home, the Cotton Association of Zambia has forecast the 2013/14 cotton crop at 158,635 tons. This is higher than government’s projected output of 120,314 metric tons. The local price of the commodity was in the range of K2.6 -2.7 per Kg as of 5<sup>th</sup> June 2014. This is an increase from last month’s prices of around ZMK2.4-2.6 per Kg.
- On Friday, 15:30hrs CAT, cotton prices on Cotlook were pegged at 90.15 cents/pound (≈US\$1.98/Kg). The July contract cotton on NYMEX was going for about 84.99 cents/pound (≈US\$1.87/Kg) on 8<sup>th</sup> June 2014 around 06:40 CAT.

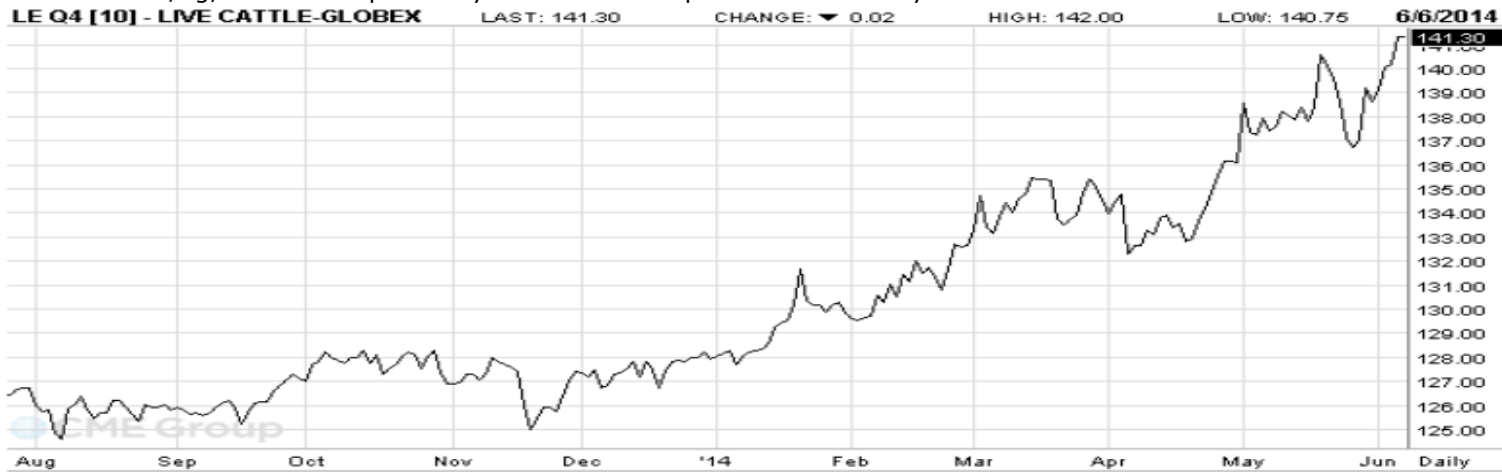


Source: ino.com

## BEEF Highlights

- The World Organization for Animal Health (OIE) has given Brazil the status of ‘negligible risk’ for Bovine Spongiform Encephalopathy (BSE), also known as mad cow disease. This increases the country’s freedom in the exports of cattle.
- South Africa’s Class A meat was trading at R32.35/Kg and Class C meat at R23.15/Kg. The landed import price of beef trimmings from Namibia and Botswana was hovering around R45.70/Kg in the week ending 30<sup>th</sup> may 2014.
- On the Namibian market, Grade A0 beef was trading in the range of R32.00-32.86 per Kg on 2<sup>nd</sup> June 2014 as captured by the meat board of Namibia.

- Beef prices on the New York market have continued edging upwards. The CME live cattle price for August 2014 delivery as of 6<sup>th</sup> June settled at 141.30 cents/pound ( US\$ 3.10/kg).
- On the domestic market, prices for standard beef traded higher in the week ending 30<sup>th</sup> May and were in the range of K14-20/kg, this is as captured by the ZNFU 4455 price information system.

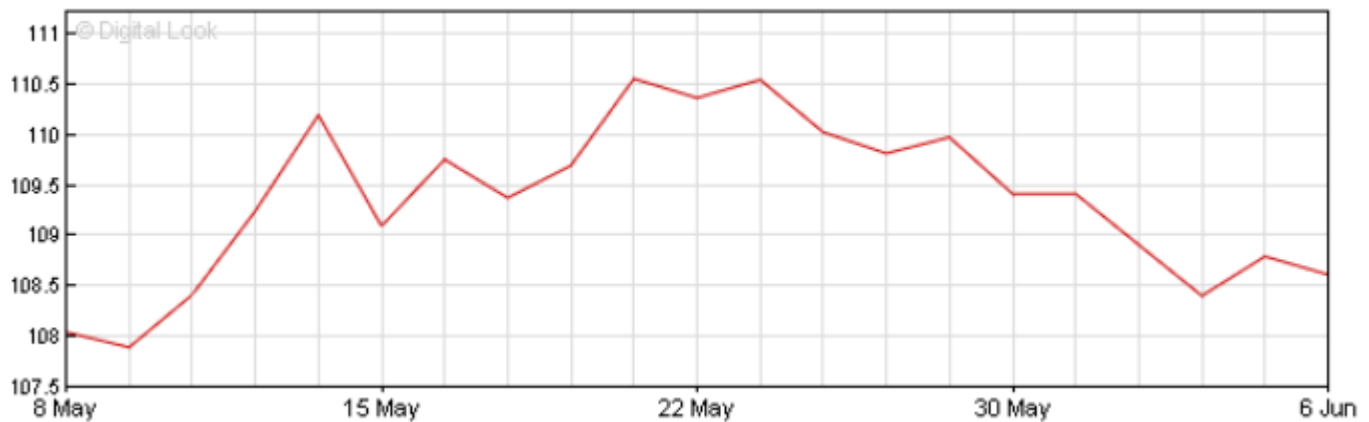


Source: CME Group

## Crude Oil Highlights

- Iraq's oil Ministry stated that the country's crude oil exports increased from 2.51 million barrels/day in April to 2.582 million barrels/day in May at an average price of US\$100.08/barrel
- By Friday midday, WTI oil was going for US\$102.78 per barrel. Brent on the other hand was hovering around US\$108.75 per barrel.

### Brent Crude Oil Futures \$/barrel



Source: BBC Business



## Average Stock Feed Prices

	Unit	Kabwe	Livingstone	Mkushi	Mazabuka	Kawambwa
<b>BROILER FEEDS</b>						
Broiler Starter	50kg	163.125	171.6	172.2	162	168.98
Broiler Grower	50kg	159.75	169.3	169.5	160.75	166.18
Broiler Finisher	50kg	155.25	166.3	168	158.75	163.18
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	123.00
Layer 105	50kg	121	135.5		105	121.00
Layer 115	50kg	116			107.75	
<b>PIG FEEDS</b>						
Pig Creep	50kg					
Pig Weaner	50kg	168			137	
Pig Grower	50kg	148.16667			136	160
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			18	21	22

## ZRA Data on Selected Agricultural Commodities

Commodity	Unit		Jan	Feb	Mar
<b>Edible oils /products</b>					
Cooking oil	TONS	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
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)