



THE WEEKLY AGRO WATCH



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Industry Updates

In this week's issue:

- ❖ *USDA releases the WASDE report*

Chilubi Rice Farmers Stuck With The Commodity

Rice farmers in Chilubi have no market where to offload the commodity they have grown in area and have appealed to the government to quickly intervene. Kampombo Cooperative secretary Mr. Pride Kaunda observed that rice farmers are frustrated in Chilubi because the current marketing policy did not favour them as they are left to organize market linkages on their own. Despite Rice farmers in the area responding to government calls of diversification, they had been facing challenges in selling rice because government has not been buying the commodity from them as they are doing for maize farmers. Meanwhile, Chilubi mainland this year has produced estimated 7,000 x 50kg bags of rice.

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= K6.28

Prices as at 13th 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	159.2	1000	159.2	1400	222.9	1200	191.1	1200	191	1300	207	1250	199	1200	191.1	1200	191.1
Wheat		0		0	2800	445.9	2330	371		0	2330	371	2700	429.9	2600	414	2400	382.2
Soybeans	2000	318.5		0	2700	429.9	2450	390.1	2100	322	2420	385.4	2350	374.2	2400	382.2	2500	398.1
Sunflower		0		0	1700	270.7	1300	207		0	1350	215	1450	230.9	1320	210.2	1300	207

Import Parity Prices

The following import parity prices were compiled by ZNFU as at 15th June, 2014.

Domestic Import Parity Prices as at 13/06/2014					
		US\$/ZAR=10.76		US\$/ZMK=6.27	
Parity Prices		U\$/ZMK	Maize	Soya	Wheat
Lusaka		6.27	368.83	735.23	448.07
Town	ZMK	\$	\$	\$	\$
Chipata	275	43.86	412.69	779.09	491.93
Mkushi	225	35.89	404.72	771.12	483.96
Ndola	250	39.87	408.70	775.10	487.94
Kitwe	250	39.87	408.70	775.10	487.94

Export Parity Prices

The following import parity prices were compiled by ZNFU as at 15th June, 2014.

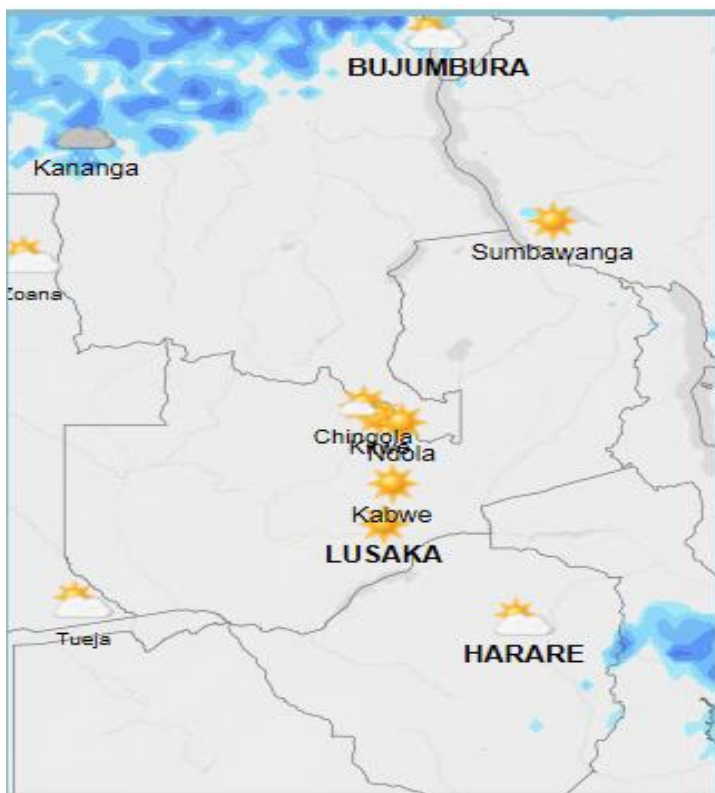
Export Parity Price (EPP) Harare-Lusaka as at 06/06/14 in US\$/ton	
Soya Beans	420.21
Wheat	361.18
Maize	280.74

Exchange Rates

CURRENCY	16/06/2014 (13/06/14 for BoZ)						06/06/2014					
	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	6.21	6.34	0.58	0.59	10.56	10.78	6.49	6.63	0.61	0.62	10.92	11.14
Standard Chartered	6.22	6.34	0.58	0.59	10.57	10.78	6.58	6.71	0.61	0.63	11.05	11.27
ZANACO	6.21	6.34	0.58	0.59	10.50	10.77	6.55	6.89	0.61	0.63	10.96	11.25
Bank of Zambia (BOZ)	6.25	6.27	10.61	10.64	0.579	0.581	6.44	6.46	0.607	0.609	10.83	10.86

Weather Update

The table summarizes the weather forecast for some selected towns for the period 16th to 22nd June 2014.

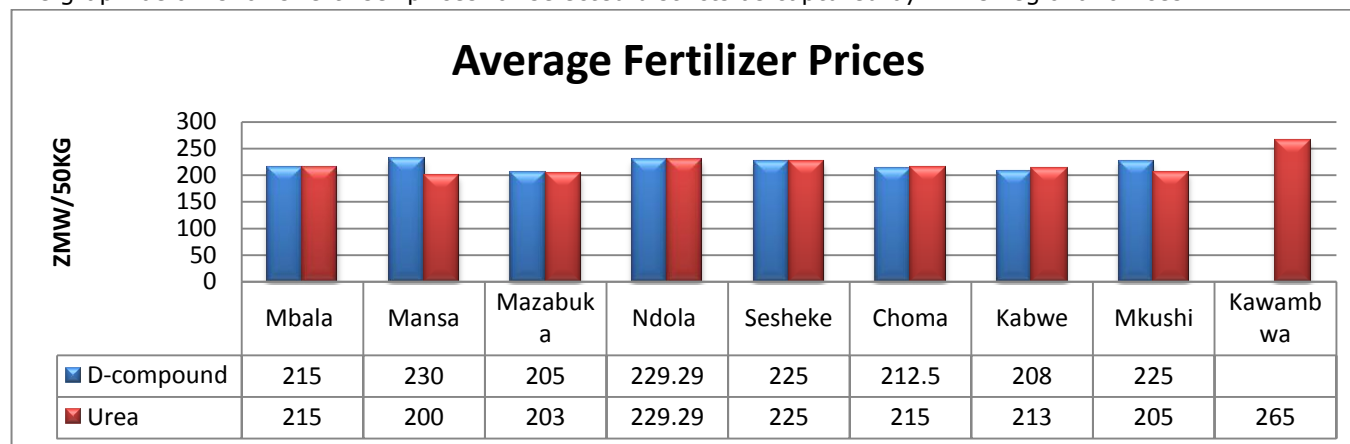


TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Fairly cloudy skies on 16th, 21st & 22nd. The 23rd is expected to be partly cloudy and clear sunny skies are forecast for the rest of the week. ➤ Average Daily Temperatures: 20-26°C. ➤ Light and gentle breeze throughout the week.
Mkushi	<ul style="list-style-type: none"> ➤ Fairly cloudy skies on 16th, 21st & 22nd. The 23rd is expected to be partly cloudy and clear sunny skies are forecast for the rest of the week. ➤ Average Daily Temperatures: 17-25°C ➤ Light and gentle breeze throughout the week
Kabwe	<ul style="list-style-type: none"> ➤ Clear sunny skies expected from 16th to 20th. the 21st & 22nd are forecast to be cloudy with light rain showers on the 21st. 23rd will be partly cloudy. ➤ Average Daily Temperatures: 17-24°C. ➤ Light and gentle breeze throughout the week
Lusaka	<ul style="list-style-type: none"> ➤ Clear sunny skies expected from 16th to 20th & 22nd. The 21st & 23rd are expected to be partly cloudy. ➤ Average Daily Temperatures: 17-24°C. ➤ Light and gentle breeze throughout the week.
Mazabuka	<ul style="list-style-type: none"> ➤ Clear sunny skies expected from 16th to 20th & 22nd. The 21st & 22nd are expected to be fairly cloudy and 23rd partly cloudy. ➤ Average Daily Temperatures: 17-24°C. ➤ Light and gentle breeze throughout the week.
Choma	<ul style="list-style-type: none"> ➤ Clear sunny skies expected from 16th to 20th & 22nd. The 21st & 22nd are expected to be fairly cloudy and 23rd partly cloudy. ➤ Average Daily Temperatures: 18-22°C. ➤ Light and gentle breeze throughout the week

Commodity Highlights

FERTILIZER

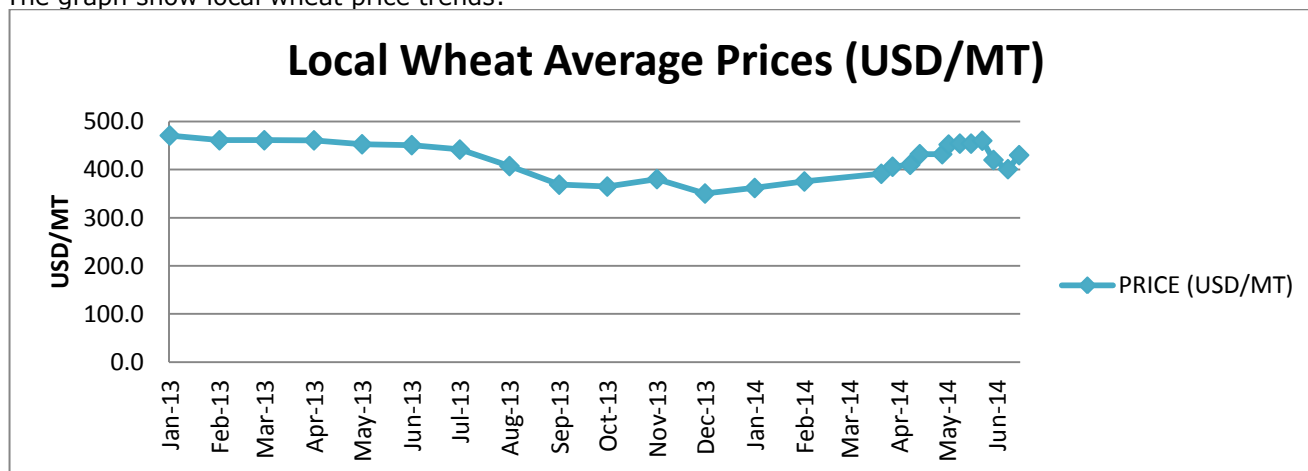
The graph below shows fertiliser prices for selected districts as captured by ZNFU regional offices.



WHEAT Highlights

- World wheat inventories for 2014/2015 by end of May will reach 188.61 million metric tons, the U.S. Department of Agriculture said in their WASDE report. That compares with last month's estimate of 187.4 million .
- The USDA also revised up by 4.6Million tonnes global wheat production in 2014/15, although this is still 12.4Million tonnes below last year's record. Larger crops are projected in the EU-28, India ,China and Russia following favourable growing conditions supporting yield potential.
- Russian prices for new crop wheat fell further last week ahead of an expected bumper harvest in Russia, one of the world's major grain exporters. The country is expected to increase its grain crop by 5 percent in 2014, according to its Agriculture Ministry, after favourable weather in May brightened the 2014 harvest outlook.
- Russian futures prices for the new wheat crop with 12.5 percent protein content were quoted at \$253 per tonne at the end of last week, down from \$258 per tonne the week before on a free-on-board (FOB) basis in the Black Sea, the Institute for Agricultural Market Studies (IKAR) said.
- The Chicago wheat futures for delivery in July settled at US\$ 206.5/MT on Friday 16th June, 2014.
- Locally wheat prices are in the range of K2.4-2.8/KG.

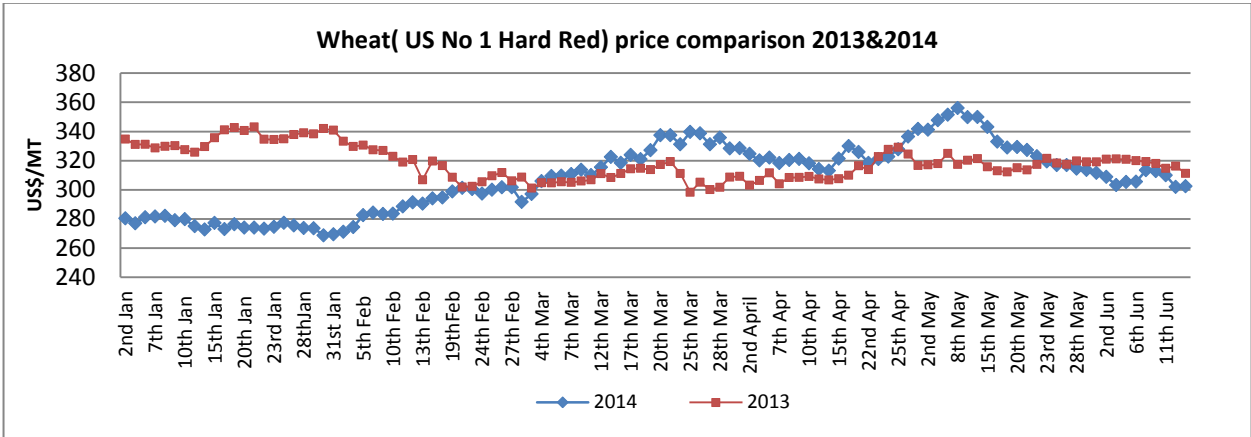
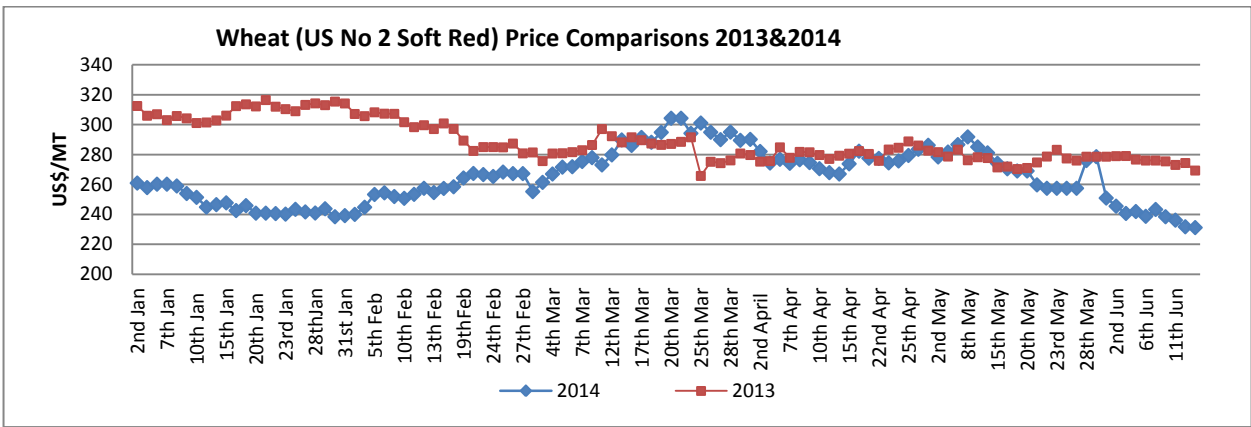
The graph show local wheat price trends:



Source: ZNFU 4455

Price trends

The Safex international soft red and hard red average wheat prices for last week settled at US\$236.19/MT and US\$308.09/MT respectively. soft red prices fell dropped by 3 percent on average while hard red prices rose by 0.39 percent when compared to the previous week. All prices are fob gulf.

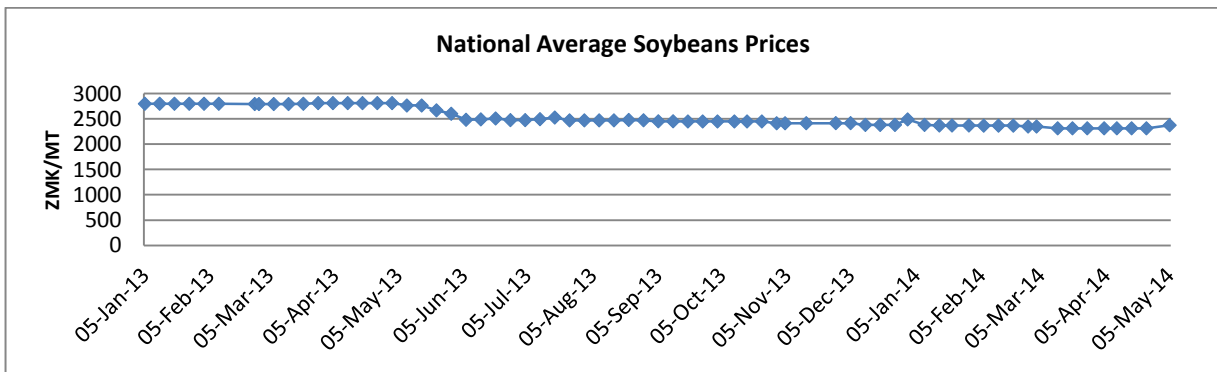


Source: Safex

SOYA BEANS

Highlights

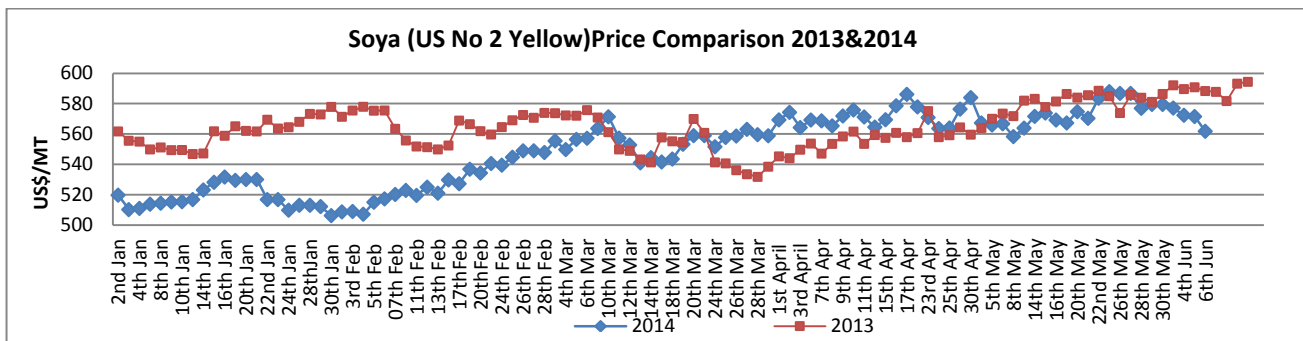
- Locally, farmers have bemoaned this year’s soybeans prices indicating the current average offer market offers of K2.35/Kg are lower than their expectations ,especially that the country’s soybean production went downhill this season and this according to the farmers should have acted as an incentive for better pricing for the new crop.
- On the local market, Soybeans prices on the local market remain average ranging between K1.8-2.6/Kg.
- The Chicago wheat futures for delivery in July settled at US\$ 525.4/MT on Friday 16th June, 2014.
- The graph below shows soybeans price trends :



Source: ZNFU 4455

Price trends

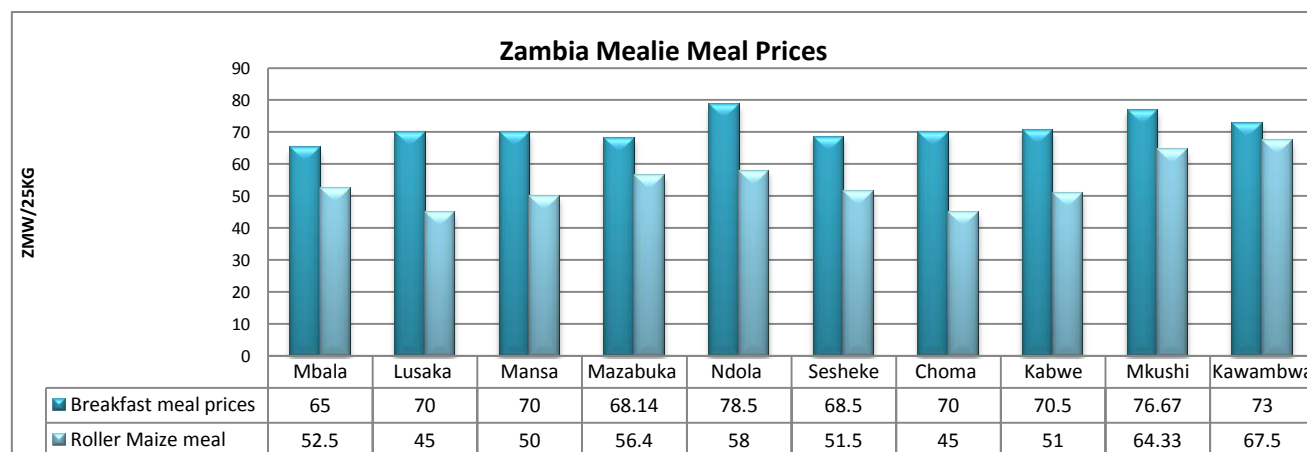
Last week’s average international price of US No. 2 yellow soya beans on Safex settled at US\$556.93/MT,2.71 percent below the previous’ week’s average of US\$572.48/MT.



Source: Safex

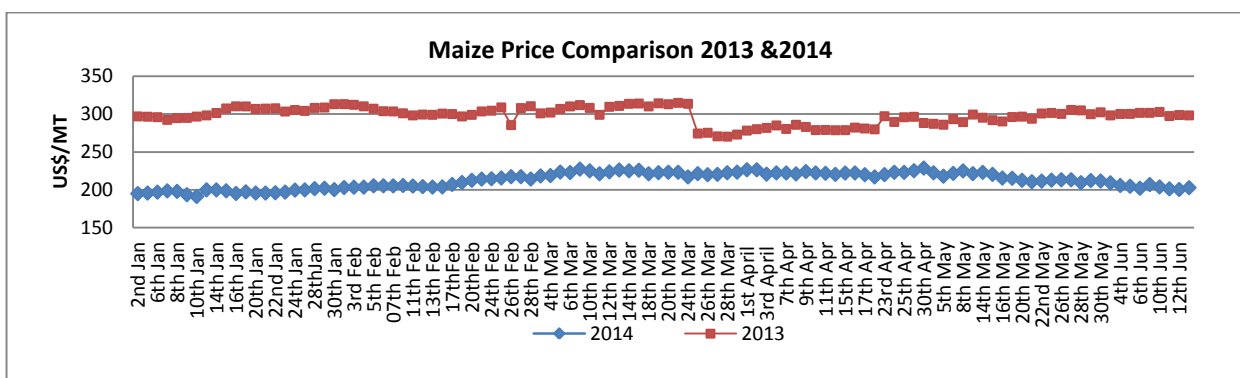
Maize Highlights

- The USDA in their latest WASDE report estimate higher production and demand for the global maize in 2013/14 with carry-over stocks increased as a result. End-season stocks are now projected 32.8 Million tonnes higher than 2012/13 closing stocks.
- USDA also raised production for 2014/15 forecasts to 981.1 million tonnes.
- Maize prices on the local market moved into bear market territory in the past week, with the bumper crop forecast being cited as one of the major factors influencing the trend. On the other hand, farmers anxiously await the announcement the FRA maize floor price which they hope will help to set the tone for maize pricing and marketing.
- The Chicago maize futures for delivery in July settled at US\$ 176.4/MT on 16th June, 2014.
- On the domestic market, Maize prices hovered between K0.80-1.4/KG in the past week.
- The graph below shows average Mealie meal prices for selected districts.



Price trends

The average international price on Safex price of US No. 2 Yellow maize for last week settled at US\$202.95/ton lower than the previous week's price of US\$206.56/ton.



Source: Safex

COTTON

Highlights

- USDA has forecast the world ending stock of cotton higher at 22.36 million tons.
- Meanwhile, the U.S government has reported that Chinese spinners are only buying enough cotton to cover their immediate needs in anticipation of lower price. The spinners are also trying to reduce their yarn inventories.
- On Friday, 15:30hrs CAT, cotton prices on Cotlook were pegged at 90.45 cents/pound (\approx US\$1.99/Kg). The July contract cotton on NYMEX was going for about 86.51 cents/pound (\approx US\$1.90/Kg) by end of Friday.



Source: ino.com

BEEF

Highlights

- On the Namibian market, Grade A0 beef was trading in the range of R3—32.49 per Kg on 9th June 2014 as captured by the meat board of Namibia.
- Beef prices on the New York market are still rising with market players attributing this to fewer animal available for sell. The CME live cattle price for August 2014 delivery as of 13th June settled at 146.62 cents/pound (US\$ 3.21/kg).
- On the domestic market, prices for standard beef traded higher in the week ending 13th May and were in the range of K14-20/kg, this is as captured by the ZNFU 4455 price information system.

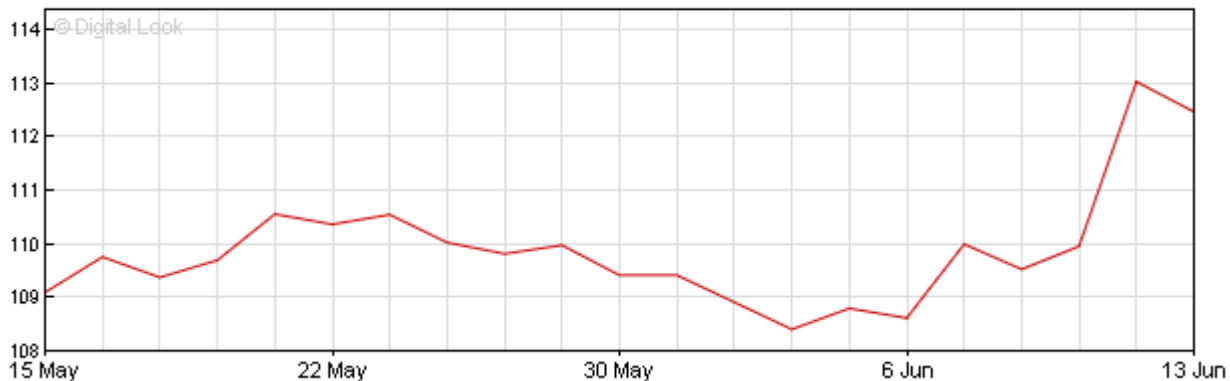


Source: CME Group

Crude Oil Highlights

- Insurgents took over two cities of Iraq, the second largest OPEC oil producer, last week. This news fuelled a rise in crude oil prices, early Friday, despite having started the week on a low note. The International Energy Agency, however, has stated that it would not put any of the Iraq oil supply at risk for now.
- By end of Friday, the prices settled lower as anxiety reduced with WTI oil (futures) going for US\$106.78 per barrel. Brent on the other hand was hovering around US\$112.30 per barrel.

Brent Crude Oil Futures \$/barrel



Source: BBC Business

Average Stock Feed Prices

	Unit	Kabwe	Livingstone	Mkushi	Mazabuka	Kawambwa
BROILER FEEDS						
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					
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	123.00
Layer 105	50kg	121	135.5		105	121.00
Layer 115	50kg	116			107.75	
PIG FEEDS						
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	
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			18	21	22

ZRA Data on Selected Agricultural Commodities

Commodity	Unit		Jan	Feb	Mar
Edible oils /products					
	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	-	-	-
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