



# THE WEEKLY AGRO WATCH



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## Industry Updates

### Zambia's Trade Surplus Improves

Zambia's trade surplus for May 2014 was valued at 43million Kwacha by the Central Statistical Office. The May trade surplus is above April's surplus of K29.2 million but still falls short of the January surplus which was recorded at K295.3 million. Zambia's major exports in May were metals which accounted for 74 percent of the total export earnings. The share of non-traditional exports dropped from 29.2 percent in April to 22.7 percent in May 2014. The major import sources for Zambia were; South Africa- supplying mostly Dumpers for off-highway use, China- with towers and lattice masts of iron and steel as the major supply and Kuwait whose major export to Zambia was petroleum oils and oils obtained from bituminous minerals.

In this week's issue:

- ❖ Zambia's Trade Surplus Improves

## 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= K6.1

Prices as at 27<sup>th</sup> June ,2014/ per metric ton

	Mbala		Mansa		Lusaka		Mazabuka		Sesheke		Choma		Kabwe		Mkushi		Ndola/Kitwe		Kaoma	
	K	USD	K	USD	K	USD	K	USD	K	USD	K	USD	K	USD	K	USD	K	USD	K	
White Maize	1000	164	1000	163.9	1400	230	1300	213	1200	197	1250	205	1200	197	1200	197	1200	197	1440	236
Wheat					2650	434	2330	382			2330	382	2550	418	2500	410	2400	393		
Soybeans	2000	328			2750	451	2500	410	2100	322	2420	397	2500	410	2500	410	2500	410		
Sunflower					1700	279	1350	221		0	1350	221	1450	238	1300	213	1300	213		

## Import Parity Prices

The following import parity prices were compiled by ZNFU as at 27<sup>th</sup> June, 2014.

Domestic Import Parity Prices as at 27/06/2014					
		US\$/ZAR=10.42		US\$/ZMK=6.2	
Parity Prices		U\$/ZMK	Maize	Soya	Wheat
Lusaka		6.2	365.4988	734.2116	451.487
Town	ZMK	\$	\$	\$	\$
Chipata	275	44.35	409.85	778.57	495.84
Mkushi	225	36.29	401.79	770.50	487.78
Ndola	250	40.32	405.82	774.53	491.81
Kitwe	250	40.32	405.82	774.53	491.81

## Export Parity Prices

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

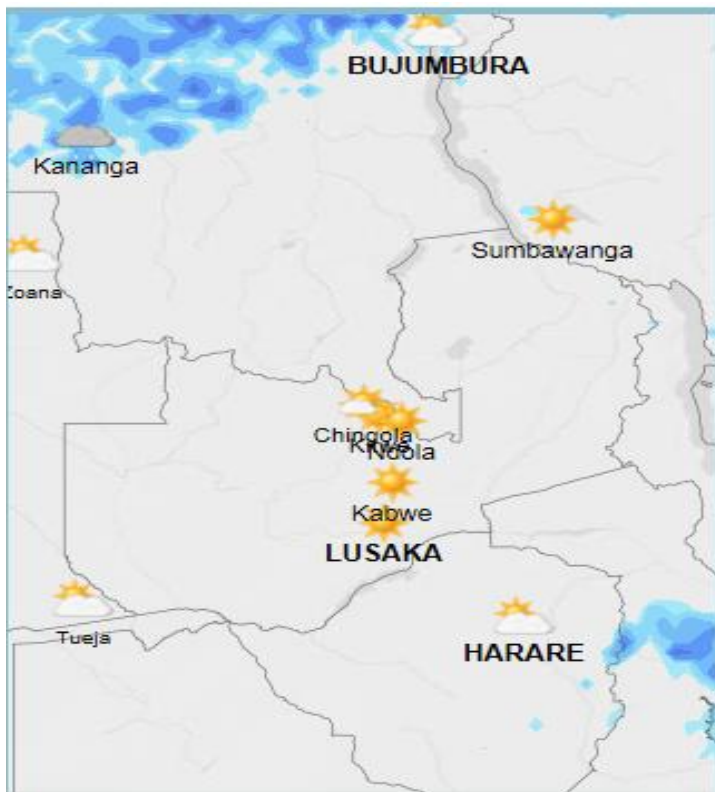
Export Parity Price (EPP) Harare-Lusaka as at 27/06/14 in US\$/ton	
Soya Beans	464.06
Wheat	394.35
Maize	228.6

## Exchange Rates

CURRENCY	27/06/2014						23/06/2014					
	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 (FNB)	6.16	6.29	0.585	0.596	10.49	10.70	6.03	6.15	0.57	0.58	10.28	10.48
Standard Chartered Bank	6.07	6.19	0.57	0.59	10.33	10.54	6.03	6.15	0.57	0.58	10.27	10.47
ZANACO	6.06	6.19	0.57	0.58	10.28	10.55	6.02	6.15	0.56	0.58	10.22	10.48
Bank of Zambia (BOZ)	6.16	6.18	0.581	0.583	10.50	10.53	6.08	6.10				

## Weather Update

The table summarizes the weather forecast for some selected towns for the period 30<sup>th</sup> to 7<sup>th</sup> July 2014.

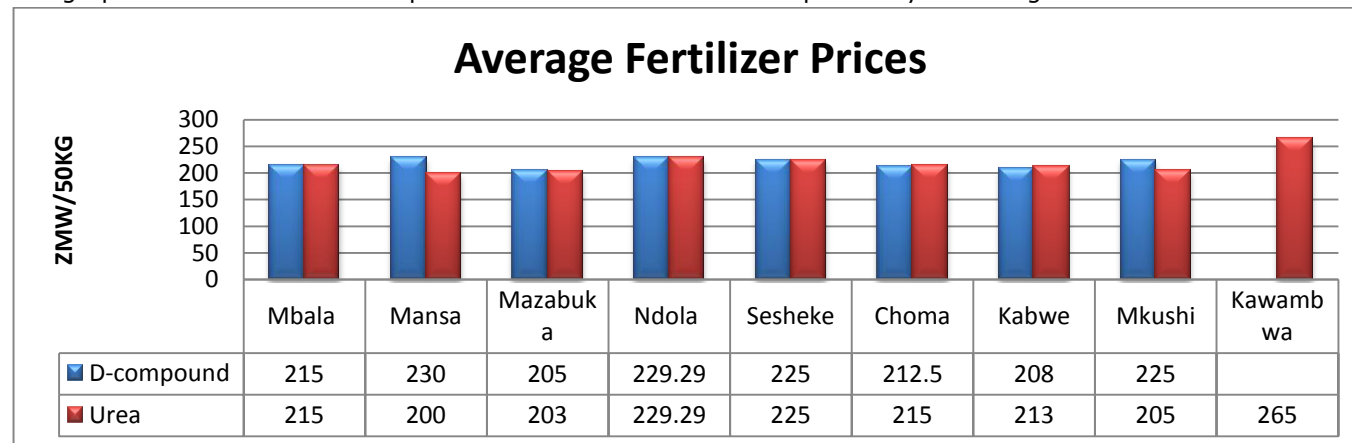


TOWN	WEATHER SUMMARY
<b>Ndola</b>	<ul style="list-style-type: none"> <li>➤ Partly cloudy skies on 30<sup>th</sup> June &amp; 3<sup>rd</sup> July, 1<sup>st</sup>, 4<sup>th</sup> &amp; 6<sup>th</sup> anticipated to be fairly cloudy and clear sunny skies for the rest of the week.</li> <li>➤ Average Daily Temperatures: 21-26°C.</li> <li>➤ Light and gentle breeze throughout the week except for the 27<sup>th</sup> when it's expected to be calm</li> </ul>
<b>Mkushi</b>	<ul style="list-style-type: none"> <li>➤ Partly cloudy skies on 30<sup>th</sup> June and 1<sup>st</sup> July with Clear sunny skies the rest of the week.</li> <li>➤ Average Daily Temperatures: 20-26°C</li> <li>➤ Light and gentle breeze throughout the week</li> </ul>
<b>Kabwe</b>	<ul style="list-style-type: none"> <li>➤ Partly cloudy skies on 1<sup>st</sup> &amp; 6<sup>th</sup> July with Clear sunny skies the rest of the week.</li> <li>➤ Average Daily Temperatures: 19-26°C.</li> <li>➤ Light and gentle breeze throughout the week</li> </ul>
<b>Lusaka</b>	<ul style="list-style-type: none"> <li>➤ Partly cloudy skies on 1<sup>st</sup> July, 30<sup>th</sup> June, 4<sup>th</sup> &amp; 6<sup>th</sup> July anticipated to be fairly cloudy and clear sunny skies for the rest of the week.</li> <li>➤ Average Daily Temperatures: 18-25°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 on 5<sup>th</sup> &amp; 7<sup>th</sup> July with fairly to partly cloudy skies the rest of the week.</li> <li>➤ Average Daily Temperatures: 20-27°C.</li> <li>➤ Light and gentle breeze throughout the week.</li> </ul>
<b>Choma</b>	<ul style="list-style-type: none"> <li>➤ Partly cloudy skies on 30<sup>th</sup> June &amp; 1<sup>st</sup> July, with fairly cloudy skies on 6<sup>th</sup> July and clear sunny skies for the rest of the week.</li> <li>➤ Average Daily Temperatures: 18-24°C.</li> <li>➤ Light and gentle breeze throughout the week</li> </ul>

## Commodity Highlights

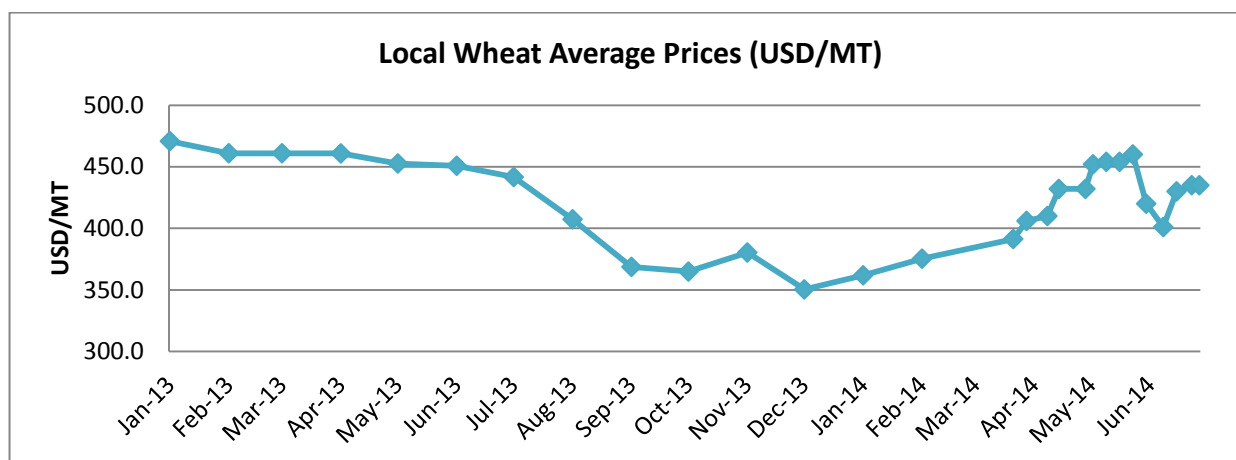
### FERTILIZER

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



### WHEAT Highlights

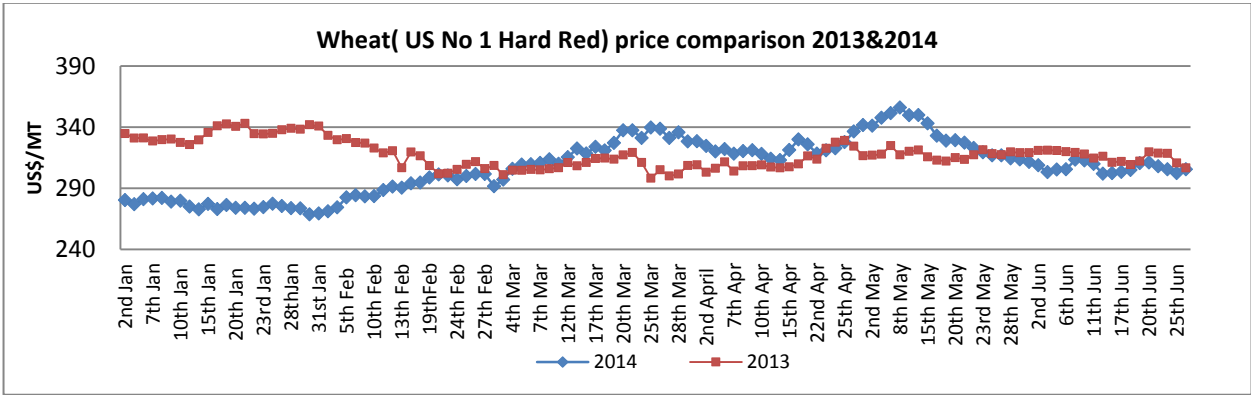
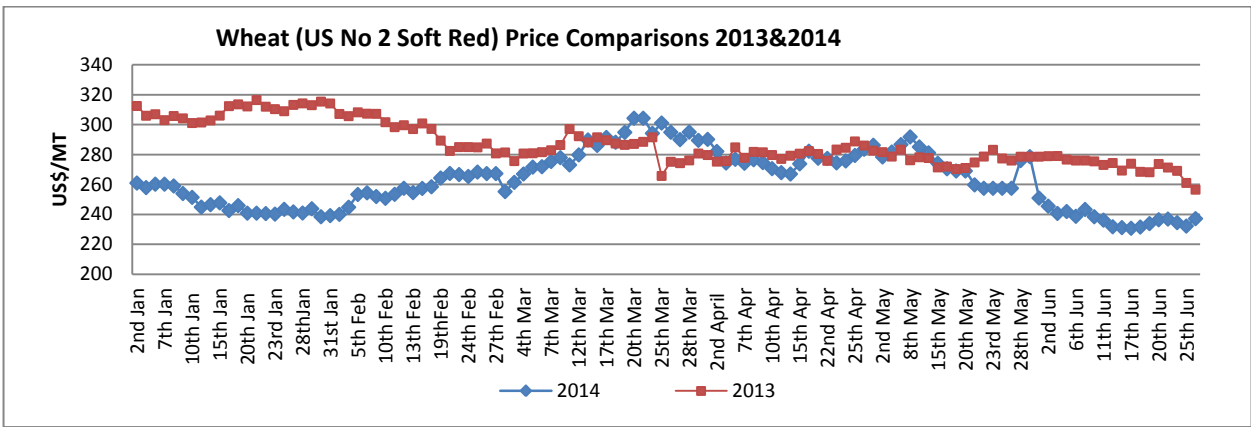
- Wheat production in Zimbabwe is expected to drop further to about 50% of last year's production. The Zimbabwe Commercial Farmers' union had earlier projected a decline of about 29% to 10 000 metric tonnes. According to All Africa, the Ministry of agriculture stated that the 50 percent drop in production takes into account small holder farmers who could no longer meet the high costs involved in wheat crop production. Zimbabwe wheat Production for the 2014/15 season is expected to be a mere 8000 tonnes
- The international Grains council says global wheat output is poised to increase to 699.3 million tonnes in the 2014-15 season, up from a May forecast of 694.1 million tonnes and down from 710.2 million tons the previous year(2013/14).The council also raised the outlook for China and the European Union.
- The Chicago wheat futures for delivery in July settled at US\$ 180/MT on Friday morning 27th June, 2014.
- On the local Market, wheat prices are in the range of K2.4-2.7/Kg. The graph below shows 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\$235.20/MT and US\$305.36/MT respectively. Soft red prices rose by 0.88 percent on average whilst hard red prices dropped by 0.70 percent when compared to the previous week. All prices are fob gulf.

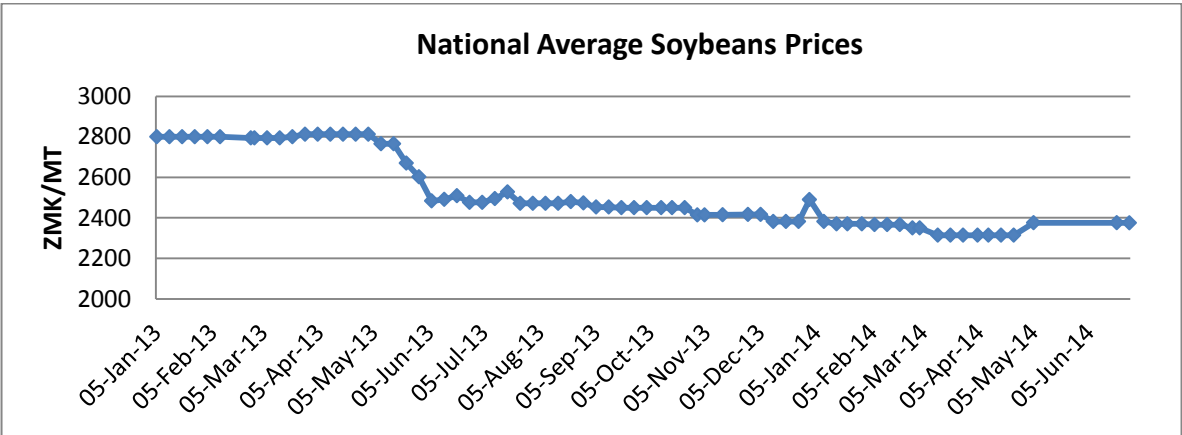


Source: Safex

**SOYA BEANS**

**Highlights**

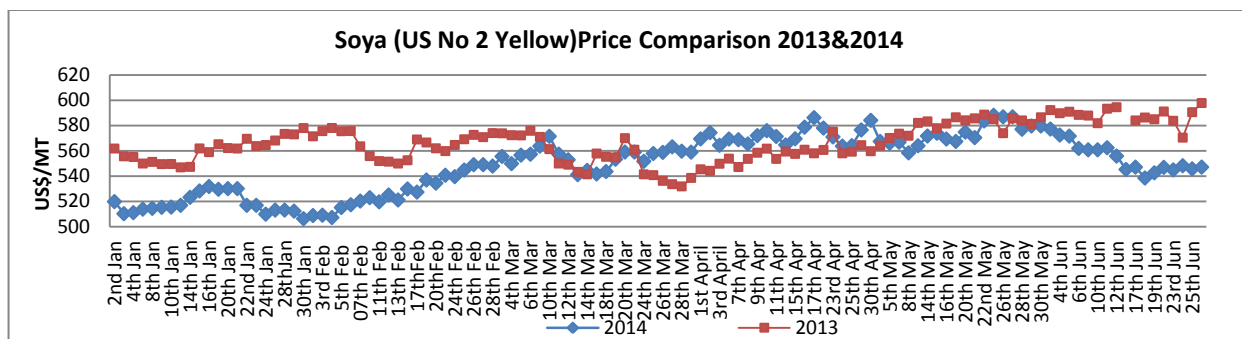
- US soybean futures rose in the past week as stronger-than-expected export sales re-ignited concerns about dwindling old-crop supplies. The USDA reported export sales for the week ending 20<sup>th</sup> June at 774,800 tonnes, above estimates of 250,000 to 550,000 tonnes. Within that total, sales of old-crop soybeans alone were 317,200 tonnes.
- The International Grains Council estimates global production of soybeans at 300 million tonnes in 2014-15 from 283 million tons in 2013-14.
- The Chicago soybeans futures for delivery in July settled at US\$ 528/MT on Friday morning 27th June, 2014.
- On the local market, soybeans prices have continued moving sideways with the current offer for the commodity still pegged at K2.75/Kg on the ZNFU 4455 market information system.
- The graph below shows soybeans price trends as captured by ZNFU;



SOURCE :ZNFU 4455

## Price trends

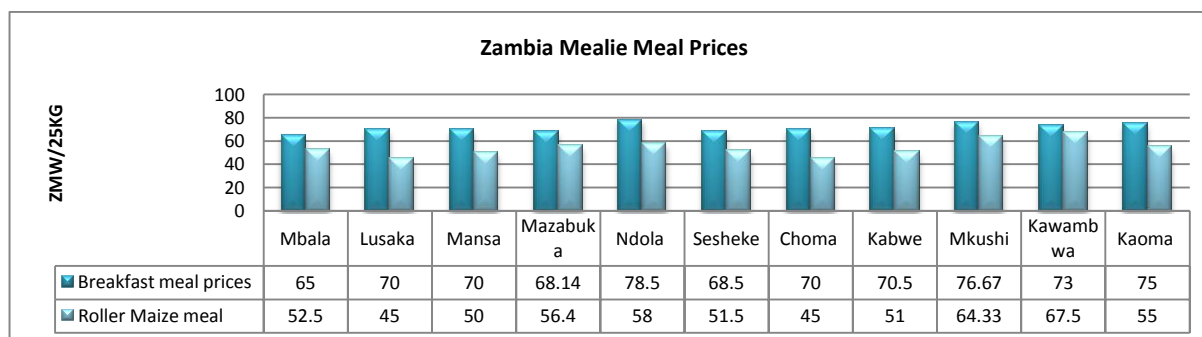
Last week's average international price of US No. 2 yellow soya beans on Safex settled at US\$546.40/MT, 0.5 percent below the previous week's average of US\$543.68/MT.



Source: Safex

## Maize Highlights

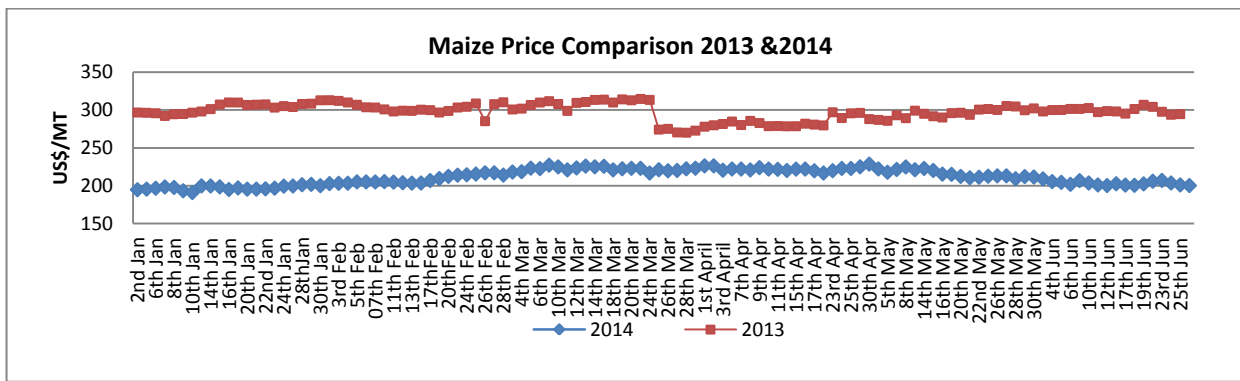
- The South African crop estimate committee further raised the country's estimated maize production for the current 2013/2014 season by 2.5 percent as yields improved. The nation is poised to harvest a bumper 13.9 million metric tons of maize grain out of which 7.7 million tons is white maize and the rest yellow.
- The Namibian Agronomic Board (NAB) says Namibian white maize producers exceeded all expectations with this year's vastly improved total expected harvest in the Maize Triangle and other productions areas. The board estimates a production of 68 213 tonnes for the country. The good news comes in the wake of last year's depleted harvest after a debilitating drought left its scars on the Namibian agricultural landscape.
- The International Grains Council (IGC) raised its production forecast for the 2014/15 world maize crop by nearly 8million tonnes from May mainly reflecting improved prospects in China. World maize production for 2014/15 will be 962.8 million tons, from last month's forecast of 955.2 million tons according to the IGC.
- The Chicago Maize futures for delivery in July settled at US\$174/MT on Friday morning 27th June, 2014.
- Locally, following the announcement of the FRA maize floor price, local traders have begun to boost their prices for maize in a bid to compete favorably with the national reserve agency. The maize average price as captured by the ZNFU 4455 increased slightly settling at K1.36/Kg for the week ending 27<sup>th</sup> June. Expectations are that maize prices will continue to appreciate in the coming weeks.



Source : ZNFU Regional Offices

## Price trends

The average international price on Safex price of US No. 2 Yellow maize for last week settled at US\$203.09/ton, slightly above the previous week's average price of US\$202.54/ton.



Source: Safex

## COTTON Highlights

- The Egyptian cotton industry has requested its government to open up the Egyptian borders to cotton from All African countries free from pest infestations. The industry is targeting an annual cotton import of around 250,000 tons according to Reuters.
- With over 193, 000 tons of cotton as commercial carry over stock by end of May, China’s cotton import appetite is still low, fuelling the gravitational pull on international cotton prices.
- Cotlook A prices settled at 89.70cents/pound (≈US\$1.97/kg) on Friday, 15:40hrs CAT/.
- The New York market cotton prices settled at 74.63cents/pound (≈US\$1.64/kg) by end of day Thursday as can be seen in the graph below:



Source: CME

## BEEF

### Highlights

- The Zimbabwean Cold Storage Company (CSC) has been reported to be eyeing the Angolan beef market with he Company’s marketing Director stating that they would soon start exporting.
- On the Namibian market, Grade A0 beef was trading in the range of R30—32.49 per Kg for the week ending 23<sup>rd</sup> June 2014 as captured by the meat board of Namibia.
- In South Africa for the week ending 21<sup>st</sup> June, Class a meat was going for R33.97/kg whilst Class C beef was pegged at R21.89/Kg. The landed import price of beef trimmings from Namibia and Botswana was R44.65/Kg.
- Despite the rising beef prices on the New York market, U.S consumer demand of the commodity is still high, pushing prices up further. The CME live cattle price for August 2014 delivery as of 27<sup>th</sup> June settled at 152.38 cents/pound ( US\$ 3.35/kg).

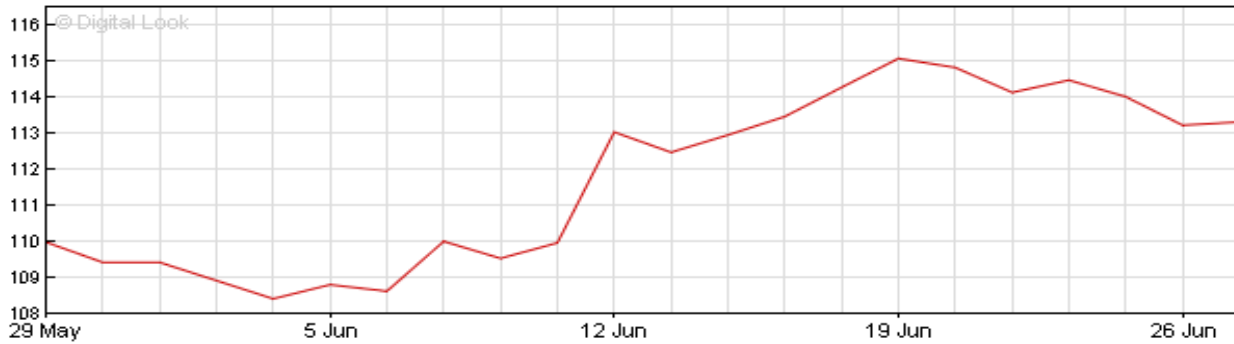


Source: CME Group

## Crude Oil Highlights

- The move by the U.S government to allow exports of crude oil last week gave the international crude oil prices the much desired breather from further escalation. Until now, the U.S has restricted most of the crude oil exports since the mid-70's. The Western powerhouse is anticipated to export at least 200,000 barrels of oil per day by the end of 2014.
- By end of day Friday, Brent prices settled at US\$113.18/barrel while WTI futures at US\$105.74/barrel.

### Brent Crude Oil Futures \$/barrel

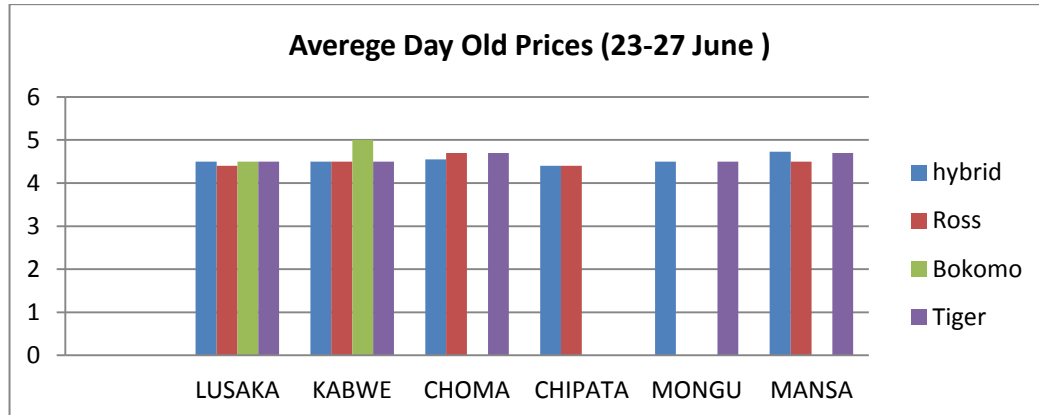


Source: BBC Business

## Poultry Industry Update

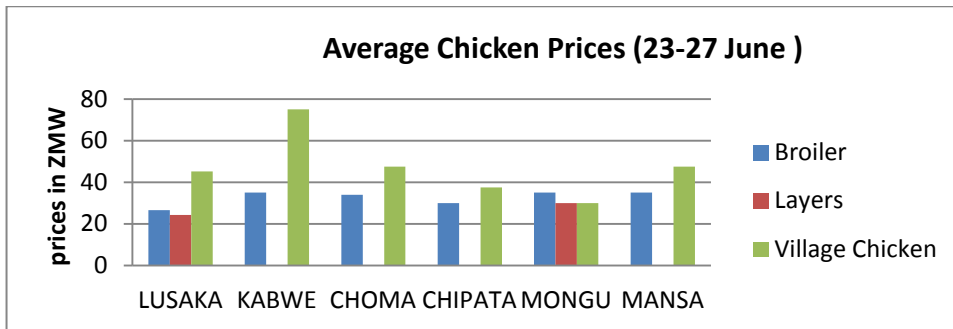
### Average Day Old Chick Prices

The graph below shows average prices of day old chicks for selected towns. Kabwe posted the highest price for Bokomo chicks at an average of ZMK5 and Mansa recorded the highest price for Hybrid day old chicks at an average of ZMK 4.7 per chick. On the other hand, Chipata had the lowest prices for hybrid and Ross day old chicks averaging ZMK 4.5 per bird.



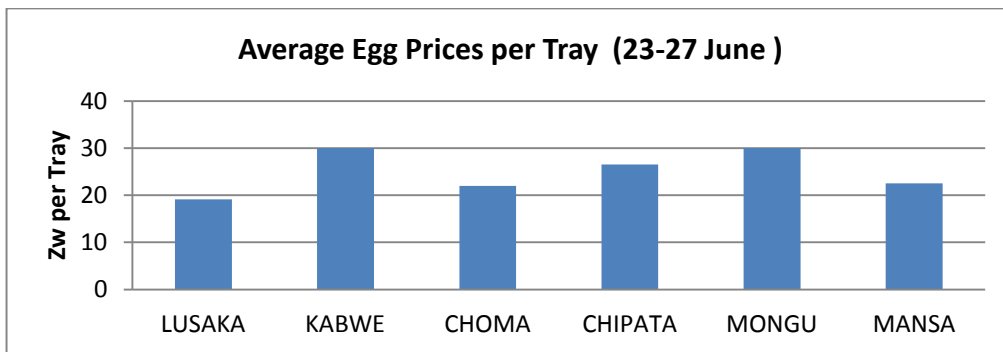
### Average Live Birds Prices

The graph shows the average live bird prices for Lusaka, Choma, Kabwe, Chipata, Mongu and Mansa. Lusaka is posting the lowest prices for broilers and layers which are going an average of ZMK26.67 this week compared to last week's price of ZMK 28.17. This shows a 5% reduction on average prices. In the same vein, the prices of village chicken have also slide to a tune of 12% in Lusaka. The price reductions have been attributed to high supply. Kabwe on the other hand posted a high price for village chicken of about ZMK75. The prices for the rest of the towns remained unchanged.



### Average Egg Prices

The egg prices for the past one week have remained stable in all the provinces. This is due constant supply and demand. The table below shows that prices are lowest in Lusaka but highest in Kabwe and Mongu where the average price for a tray of eggs is ZMK30. Choma and Mansa both recorded an average price of ZMK22 per tray of eggs.





## 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