



# THE WEEKLY AGRO WATCH



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## Industry Updates

### Price Of Day Old Chicks On The Rise

Hybrid, one of Zambia's main hatchery operators recently increased the price of day old chicks, effective on the 7<sup>th</sup> of July 2014. The price of broilers has been increased by 5% while the layers have been increased by about 7.6%. The hatchery has attributed this price increase to the increase in the cost of production of the day old chicks. However, there has been a general increase in the price of day old chicks from other hatcheries as well especially during the first half of the year when there seemed to be a shortfall in production and increase in demand. Following these price increases, poultry farmers have expressed concern over the ever increasing cost of production in Zambia and expect the price of retail chickens increase in the short run.

### FAO Food Price Index Plummet

Global food prices fell for a third consecutive month in June a decline mostly influenced by lower wheat, maize and palm oil prices that reflected ample supplies and improved global production prospects for these commodities, this is according to the Food and Agriculture organization. The FAO price index, which measures monthly price changes for a basket of cereals, oilseeds, dairy, meat and sugar, averaged 206.0 points in June, down 3.8 points or 1.8 percent from May and nearly 6 points (2.8 percent) below the June 2013 level.

In this week's issue:

- ❖ *Zimbabwe millers and farmers lobby for surtax on maize and maize meal imports*
- ❖ *Poultry industry updates*

## 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= K6.2

Prices as at 4<sup>th</sup> July ,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	USD
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 7<sup>th</sup> July 2014.

Domestic Import Parity Prices as at 7/07/2014					
		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 7<sup>th</sup> July , 2014.

Export Parity Price (EPP) Harare-Lusaka as at 7/07/14 in US\$/ton	
Soya Beans	462.06
Wheat	395.35
Maize	229

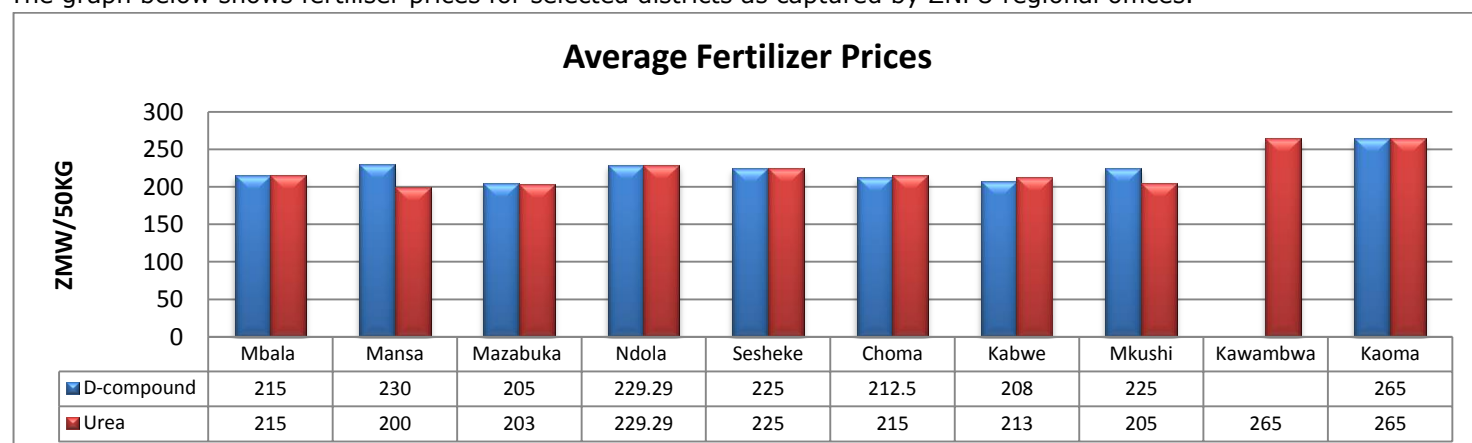
## Exchange Rates

CURRENCY	04/07/2014						27/06/2014					
	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)	6.158	6.282	0.578	0.59	10.566	10.78	6.16	6.29	0.585	0.596	10.49	10.7
Standard Chartered Bank	6.16	6.283	0.5757	0.5872	10.58	10.8	6.07	6.19	0.57	0.59	10.33	10.54
ZANACO	6.158	6.282	0.5702		10.53	10.8	6.06	6.19	0.57	0.58	10.28	10.55
Bank of Zambia (BOZ)	6.2183	6.2383	0.5767	0.5791	10.652	10.69	6.16	6.18	0.581	0.583	10.5	

## Commodity Highlights

### Fertilizer

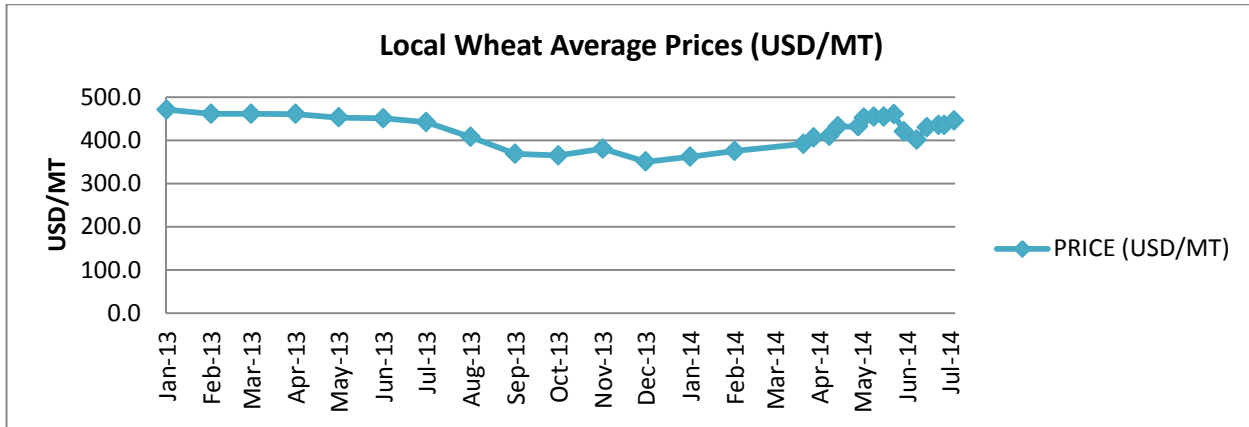
The graph below shows fertiliser prices for selected districts as captured by ZNFU regional offices.



Source: ZNFU regional offices

## WHEAT Highlights

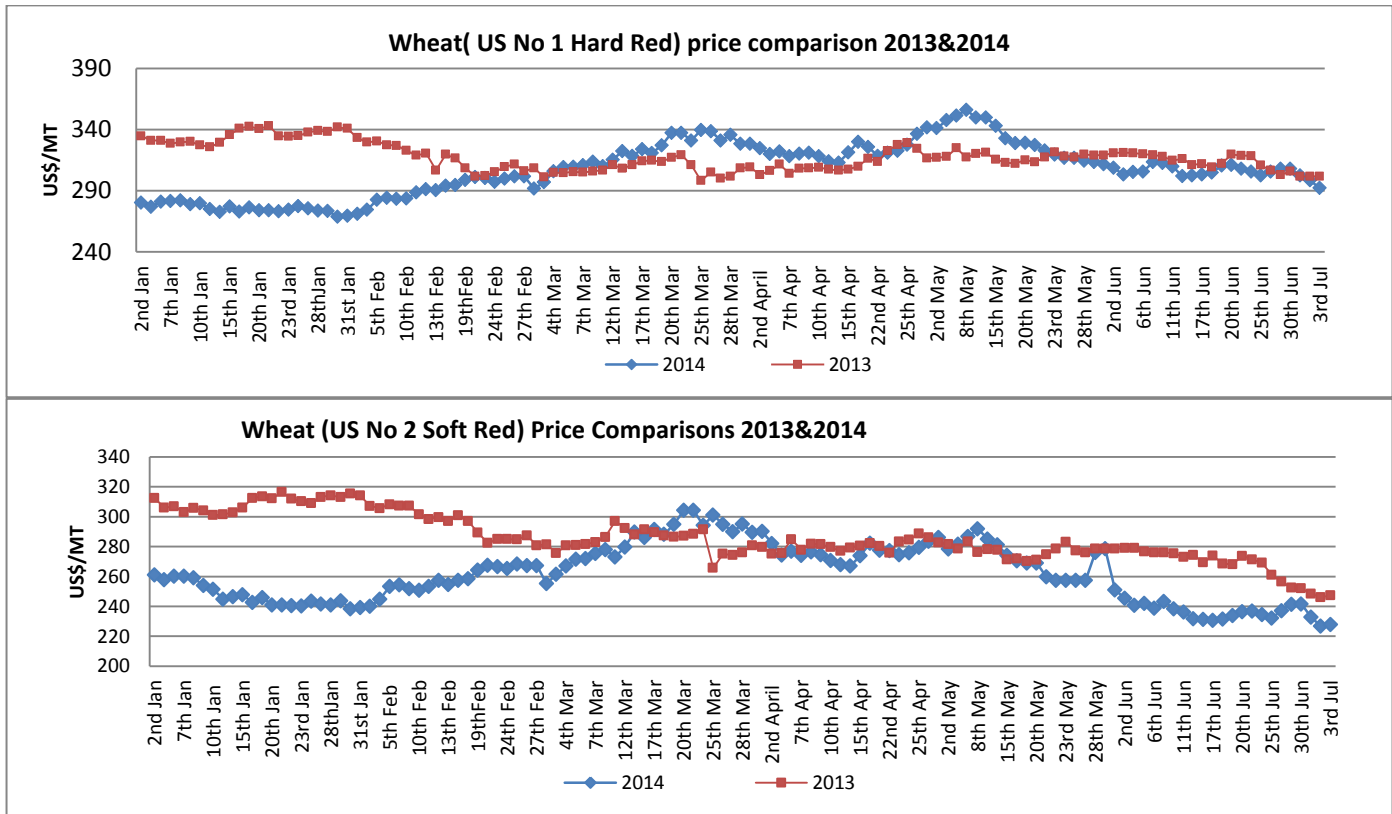
- The FAO raised their outlook on the global wheat crop in 2014/15 by 4 Million Metric Tonne from last month to 707 MMT. That increase came mostly on improved prospects in Brazil, the EU, India and Russia. They cut 2014/15 ending stocks however by 2 MMT to 180 Million tonnes, although that's still 6 Million Metric Tonnes up on 2013/14.
- The Chicago wheat futures for delivery in July settled at US\$ 220/MT on Friday afternoon 4<sup>th</sup> July , 2014.
- On the local Market, wheat prices are in the range of K2.4-2.8/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\$249.25/MT and US\$301.88/MT respectively. All prices are fob gulf.

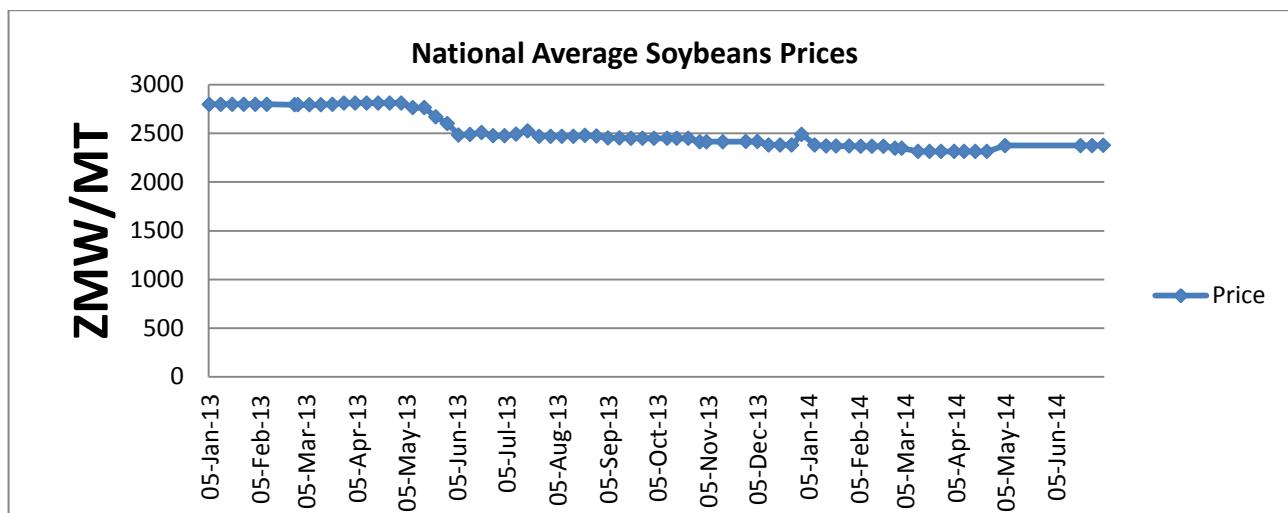


Source: Safex

## SOYA BEANS

### Highlights

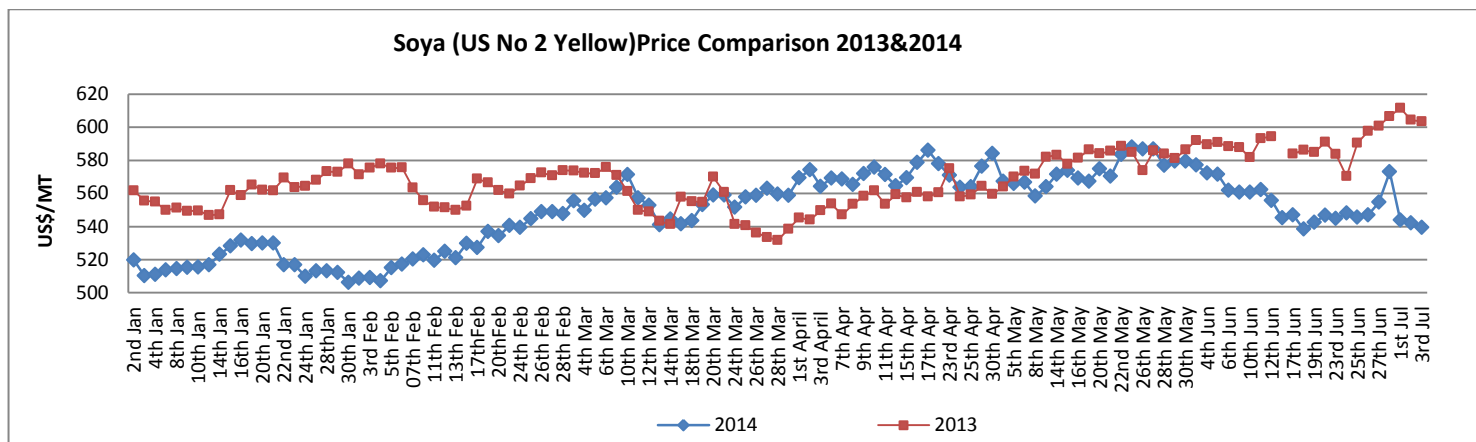
- The Chicago soybeans futures for delivery in July settled at US\$ 477/MT on Friday afternoon 04<sup>th</sup> July, 2014, 2014.
- On the local market, soybeans prices have continued moving sideways with the current offer for the commodity still pegged at K2.75/Kg on the ZNFU 4455 market information system.
- The graph below shows soybeans price trends as captured by ZNFU;



SOURCE :ZNFU 4455

## Price trends

The average price for international US No. 2 yellow soya beans on Safex settled at US\$550.60/MT this week.

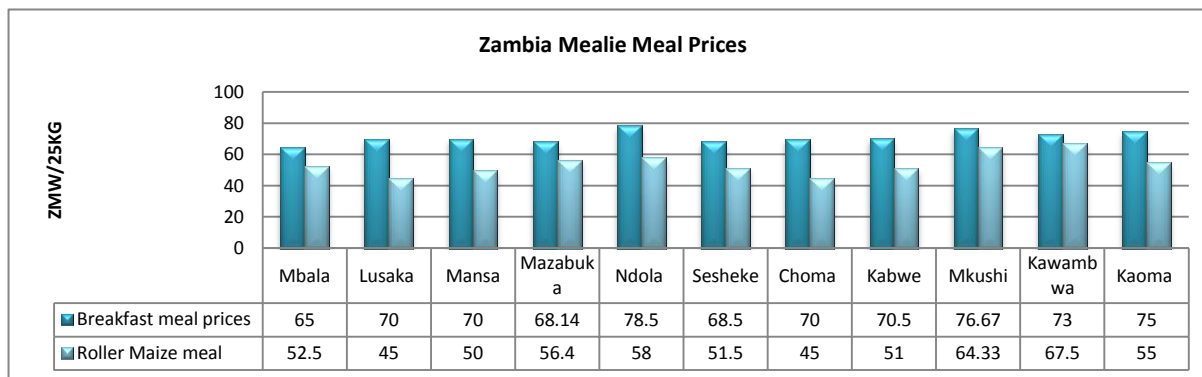


Source: Safex

## Maize Highlights

- The Zimbabwean grain millers and farmers representative organizations have come together in a bid to shore up the local maize producer price as well as either reduce or completely eliminate imports of maize meal from the region. There is concern that imports cheap from the region are depressing local maize prices in a development that is forcing farmers to quit production of the crop.
- The Grain Millers Association of Zimbabwe (GMAZ) and Zimbabwe Commercial Farmers Union (ZCFU) and the Commercial Farmers Union (CFU) are proposing the application of Surtax to ensure that imports glut of Maize meal is eliminated.
- Maize prices in Zimbabwe are currently around US\$220.00 per tonne.
- The Chicago Maize futures for delivery in December settled at US\$163.4/MT on Friday morning 4<sup>th</sup> July, 2014.

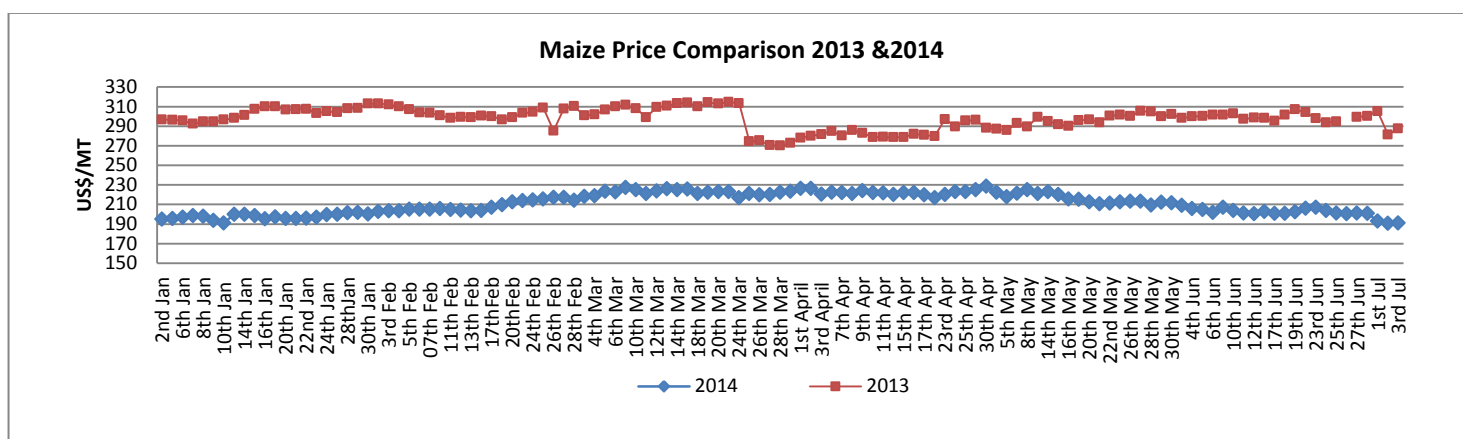
- Locally, the announcement of the maize floor price has not had a substantial pull effect on maize prices which remain sticky and averaging around K1.36/Kg for the week ending 04<sup>th</sup> July.



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\$195.29/MT lower than last week's average.



Source: Safex

## COTTON Highlights

- The Cotton Advisory Board (CAB) in India has forecasted India's cotton production for the ongoing season (October 2013-September 2014) to be at a record high of 39 million bales, according to a Business Standard report. In 2012-13 cotton season, the area under cotton was 11.98 million hectares, which fell to 11.73 million hectares this season, due to reduction in cotton sowing area in some states but the average cotton yield per hectare increased by 9 percent to 565.36 kg compared to the previous season offsetting the decrease in acreage.
- Higher ending stocks outside China and lower imports into China will put downward pressure on the international cotton prices in 2014-15, according to a statement by the International Cotton Advisory Committee (ICAC). World ending stocks are expected to rise by 6% to 21.4 million tons in 2014/15.
- The New York market cotton prices settled at 71.79cents/pound by end of day Friday as can be seen in the graph below:

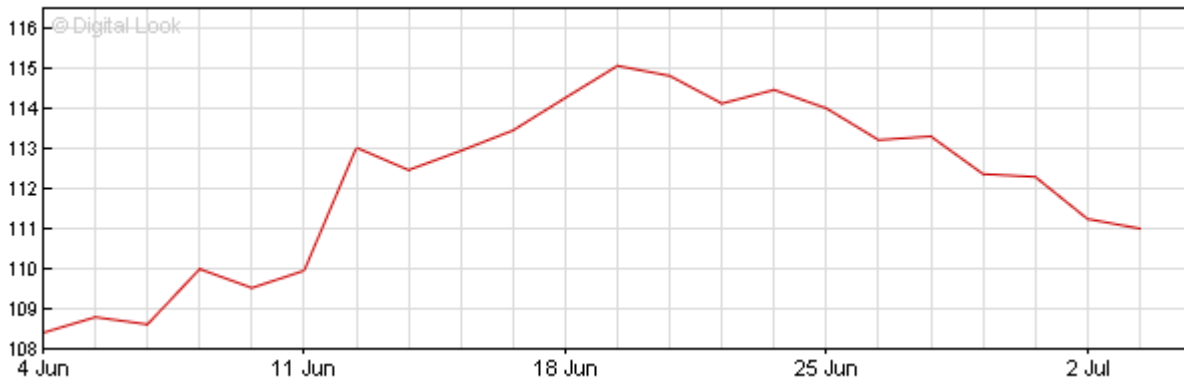


Source: CME

## Crude Oil Highlights

- Brent futures held steady around during the week 4<sup>th</sup> July, 2014 ending US\$111 a barrel on Friday on signs of an improving demand outlook, although the benchmark is still set to post its biggest weekly loss since early January as supply worries that have rattled oil markets for weeks recede as Libya prepares to resume exports from two terminals and amid speculation that Iraq's crude production will remain unaffected by violence.

### Brent Crude Oil Futures \$/barrel

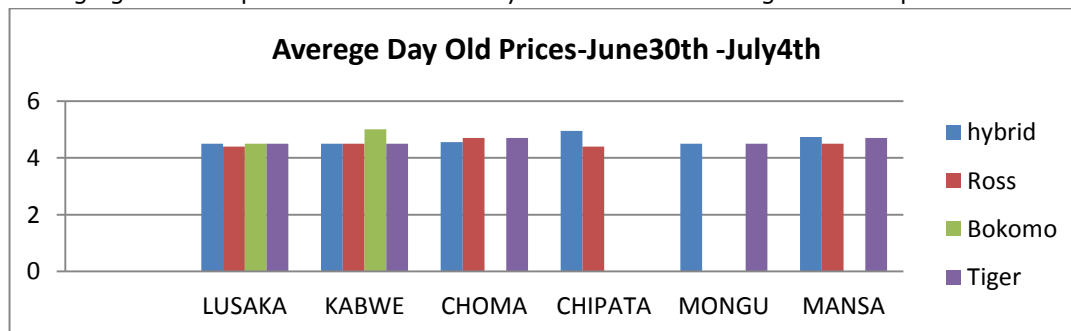


Source: BBC Business

## Poultry Industry Update

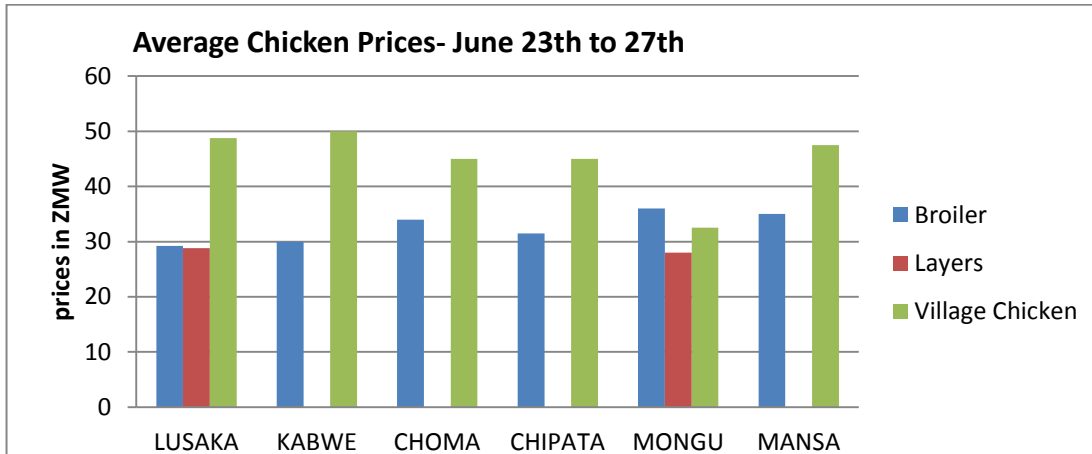
### Average Day Old Chick Prices

The graph below shows average prices of day old chicks for selected towns. Compared to the last week the prices have remained the same except for Chipata where the price of Hybrid Chicks has increased from ZMW 4.4 TO 4.95. Kabwe is Still posting highest price for Bokomo chicks at an average of ZMW5 while Mansa is posting high price for Hybrid day old chicks averaging ZMW4.7 per chick and Ross day old chick are costing ZMW 4.7 per bird.



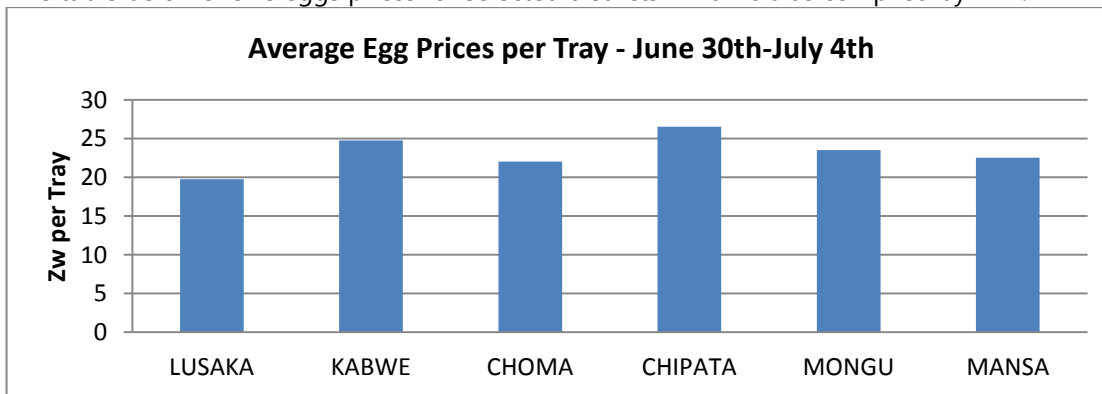
### Average Live Birds Prices

The graph shows the average live bird prices for selected districts. Compared to last week, the price of broilers in Lusaka has increased by about 8% but Lusaka remains the town with the lowest prices for broilers. Kabwe has registered a price reduction of about 16% for broilers and a 30% decrease in the price of village chickens. However Kabwe maintains the highest price for village chickens as was the case last week. Chipata has registered an increase in the price of broilers and a reduction in the price of village chickens, while Mongu has recorded an increase in the price of village chickens and a reduction in the price of broilers from ZMW30-ZMW32.5 and ZMW35-ZMW36 respectively.



### AVERAGE EGG PRICES

The table below shows eggs prices for selected districts in Zambia as compiled by PAZ.



## 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