



THE WEEKLY AGRO WATCH



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Industry Updates

Egg Prices edge higher

The wholesale price of eggs has risen by 5 percent, with further increases expected by market players as temperatures continue to fall. A tray of eggs recently sold for ZMK18 has risen to about ZMK20.

Egg producers attributed the price rise to low production due to low temperatures and an increase in input costs. The production of eggs is however expected to increase from September-October with the on-set of the hot season.

Low temperatures also increase input costs as farmers have to invest more in electricity or other heating methods and this has a ripple effect of pushing prices higher.

Import Parity Prices

The following import parity prices were compiled by ZNFU as at 11th July 2014.

Domestic Import Parity Prices as at 11/07/2014					
		US\$/ZAR=10.73	US\$/ZMK=6.13		
Parity Prices		U\$/ZMK	Maize	Soya	Wheat
Lusaka		6.13	1673	5045	2575
Town	ZMK	\$	\$	\$	\$
Chipata	275	44.86	1717.86	5089.86	2619.86
Mkushi	225	36.70	1709.70	5081.70	2611.70
Ndola	250	40.78	1713.78	5085.78	2615.78
Kitwe	250	40.78	1713.78	5085.78	2615.78

Export Parity Prices

The following import parity prices were compiled by ZNFU as at 7th July, 2014.

Export Parity Price (EPP) Harare-Lusaka as at 11/07/14 in US\$/ton	
Soya Beans	415
Wheat	368.69
Maize	243.11

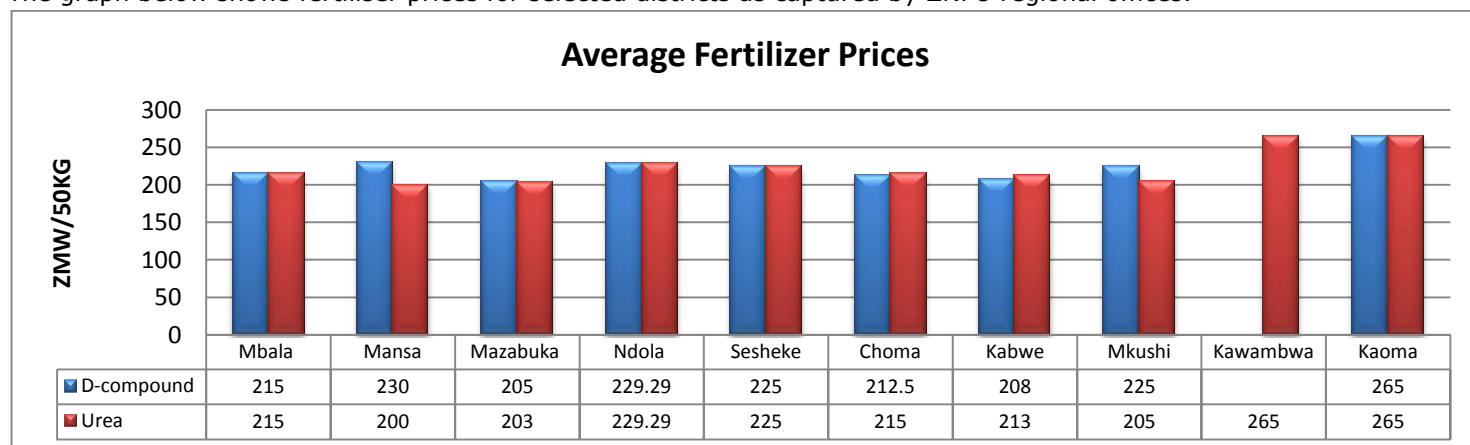
Exchange Rates

	14/07/2014						04/06/2014					
CURRENCY	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)	6.05	6.18	0.57	0.58	10.36	10.57	6.158	6.282	0.578	0.59	10.566	10.78
Standard Chartered Bank	6.05	6.17	0.57	0.58	10.36	10.56	6.16	6.283	0.5757	0.5872	10.58	10.8
ZANACO	6.03	6.15	0.56	0.57	10.27	10.54	6.158	6.282	0.5702		10.53	10.8
Bank of Zambia (BOZ)	6.08	6.10	0.567	0.569	10.40	10.44	6.2183	6.2383	0.5767	0.5791	10.652	10.69

Commodity Highlights

Fertilizer

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



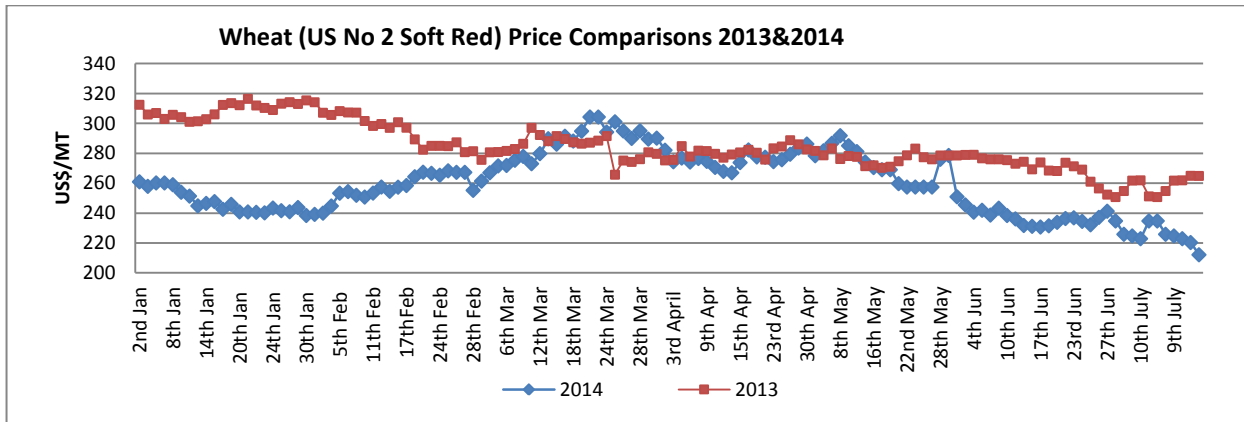
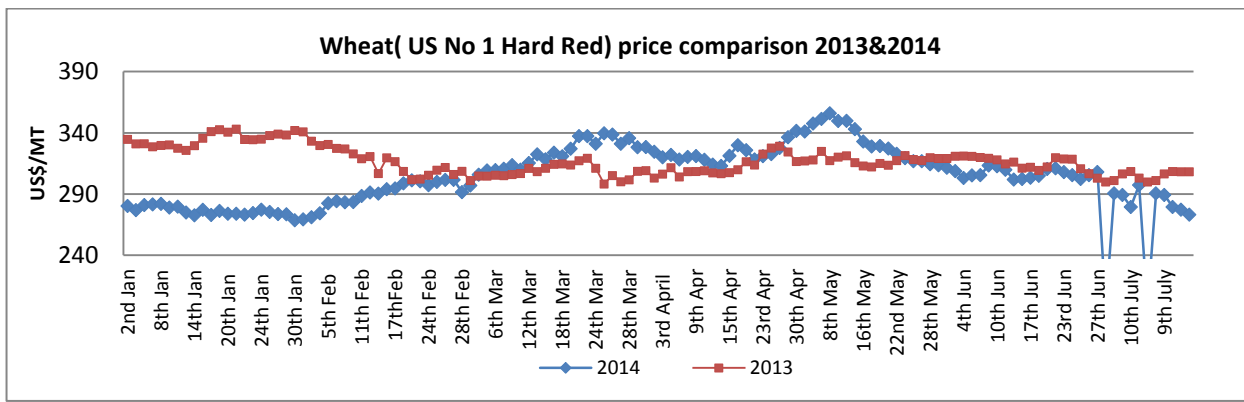
Source: ZNFU regional offices

WHEAT Highlights

- Latest figures by the U.S Department of Agriculture have pegged global wheat production for 2014/15 at 705.2 million tons. This is the second largest production on record despite following short of last year's production by 9 million tons.
- The expected record crop has pushed the local wheat prices down. The progress in the harvest of Russia wheat crop also contributed to the suppression of wheat prices last week. So far, the country has recorded an average yield of 3.59tons/ha, up from last year's 3.22tons/ha.
- The Chicago wheat futures for delivery in July settled at US\$189.67/MT on Monday, 14th July 2014, afternoon.

Price trends

The Safex international soft red and hard red average wheat prices for last week settled at US\$227.10/MT and US\$264.24/MT respectively. All prices are fob gulf.



Source: Safex

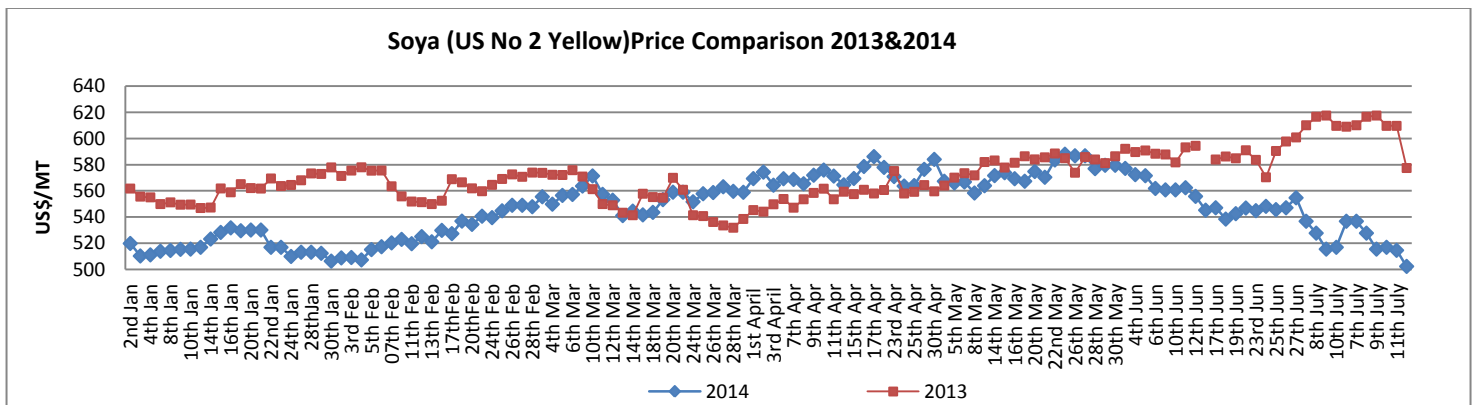
SOYA BEANS

Highlights

- Increased production by the U.S, Russia and Ukraine has pushed the 2014/15 global output of soybeans up by 4.8 million tons to 304.8 million tons for the 2014/15 year. This news fuelled the plunge of soybeans prices on Friday 11th July 2014.
- The Chicago soybeans futures for delivery in July settled at US\$ 478.84/MT on Monday 14th July 2014 in the afternoon.
- Meanwhile, the declining soybeans prices have seen India, the world's largest buyer of palm oil; reduce its import appetite for palm oil over the last 2 months.
- 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.

Price trends

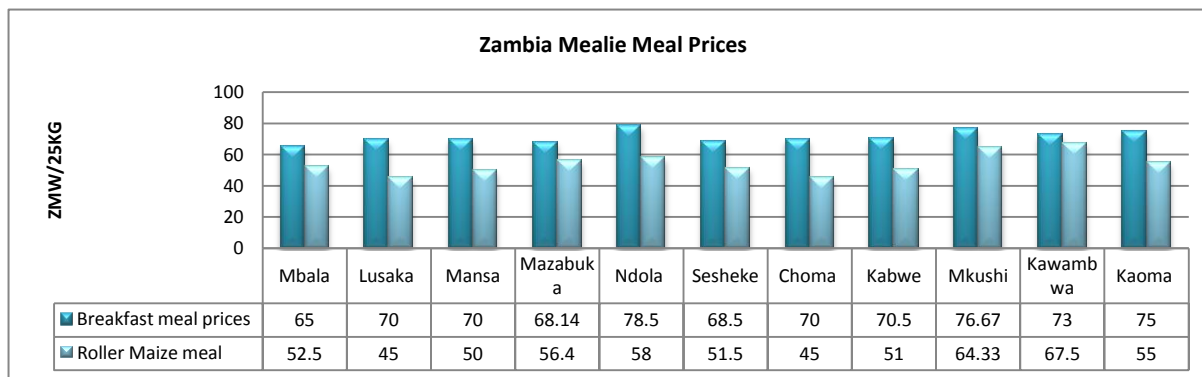
The average price for international US No. 2 yellow soya beans on Safex settled at US\$524.14/MT this week.



Source: Safex

Maize Highlights

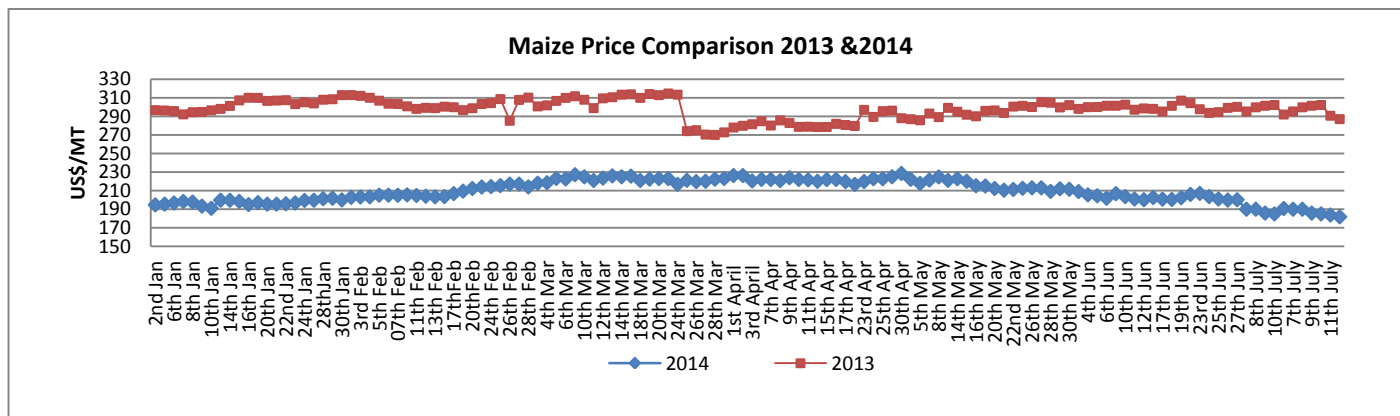
- Global ending stocks of maize have been forecast to be the highest in 15 years by the U.S government. About 219.42 million tons are the estimated carryover stocks for 2014/15. Meanwhile greater domestic supplies in the grain led to lower levels of trade in the month of June 2014.
- Plans by the Kenyan government to import maize from Tanzania have received criticisms from some Producers who are of the view that this would create a glut in the Kenyan maize market.
- The Chicago Maize futures for delivery in December settled at US\$151.41/MT on Monday afternoon.



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\$187.82/MT, 0.33 percent lower than last week's average of US\$188.43/MT.



Source: Safex

COTTON Highlights

- Tanzania is expected to harvest about 280,000 tons of cotton for the season that ends January 2015 according to the Wall Street Journal. In contrast to countries like Zambia, Tanzania's cotton output has been rising since 2011, when farmers were encouraged to start signing purchase contracts with the ginners.
- On Monday 14th July 2014 at 15:35 hrs CAT, Cotlook A Index cotton prices were pegged at US\$0.8335/pound (\approx US\$1.83/kg).
- The New York market cotton prices settled at 68.30cents/pound (\approx US\$1.50/kg) on 14th July 2014 as can be seen in the graph below:

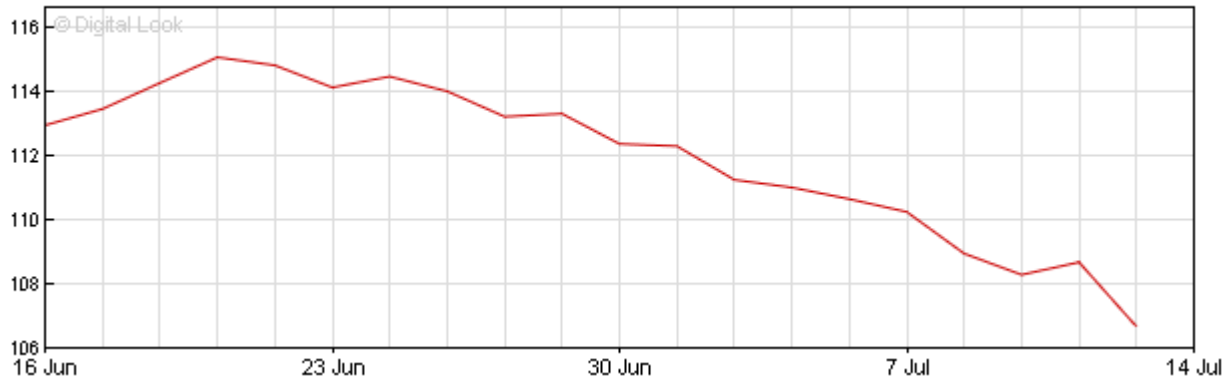


Source: CME

Crude Oil Highlights

- Nigeria is on the path to build 40 million barrels of crude reserves and produce 4 million barrels of crude oil per day according to the Nigerian National Petroleum Corporation. Nigeria is Africa’s leading producer of crude oil. In 2013, Nigeria was producing an average of 2 million barrels per day of crude oil.
- Crude oil prices have continued to fall as market players gain more confidence in the sustained supply of Iraq and Lybia.
- Brent crude oil settled at about US\$106.66/barrel by end of day on 14th July 2014.

Brent Crude Oil Futures \$/barrel

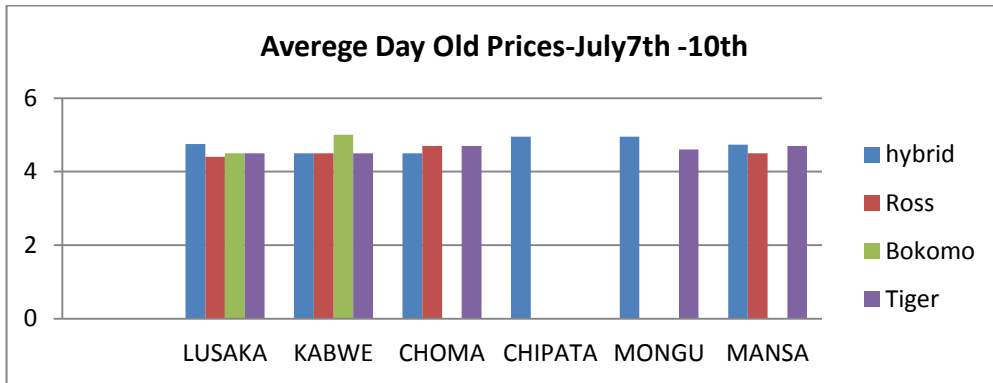


Source: BBC Business

Poultry Industry Update

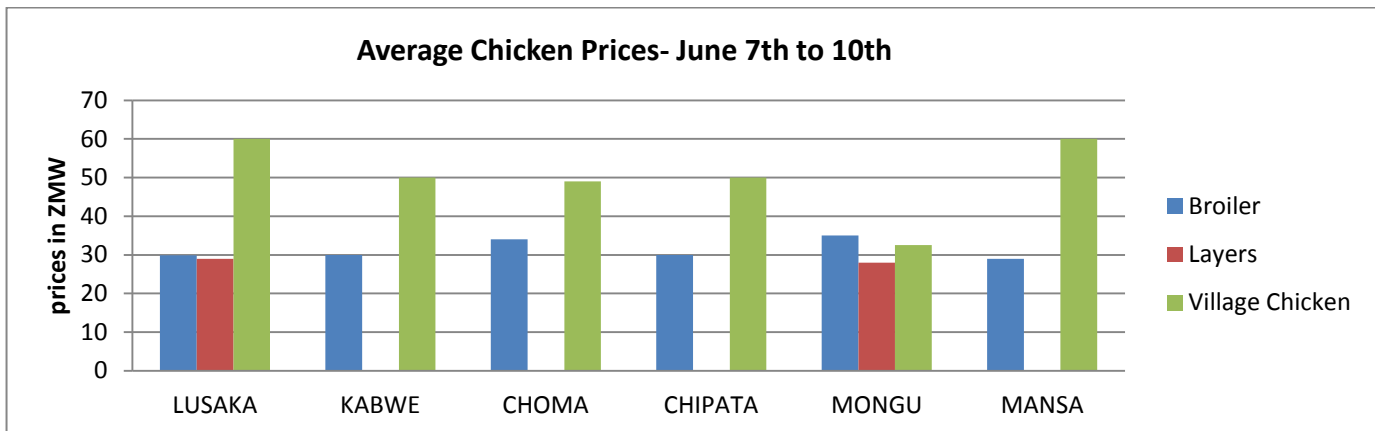
Average Day Old Chick Prices

The graph below shows average prices of day old chicks for selected towns. Compared to last week, prices of day old chicks have risen with the highest prices being recorded in Kabwe, Chipata and Mongu as indicated in the chart below.



Average Live Birds Prices

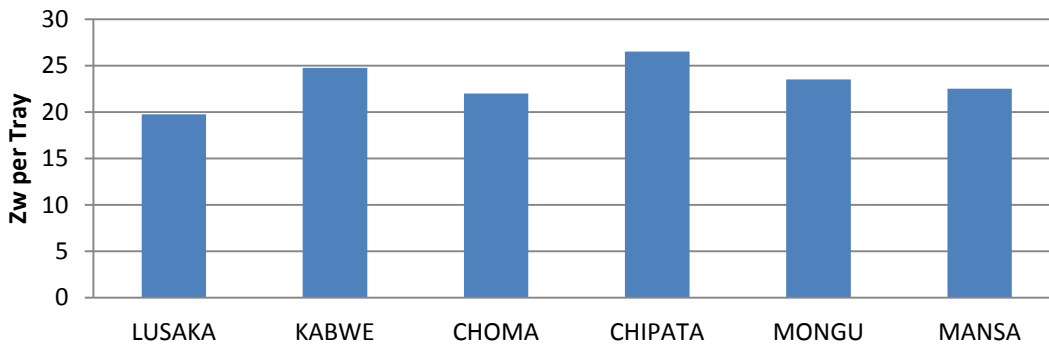
The graph shows the average live bird prices for Lusaka, Choma, Kabwe, Chipata, Mongu and Mansa. Compared to last week Mansa has shown the largest reduction in broiler prices which stood at ZMK29 last week compared to ZMK35 in the previous week. Prices also reduced in Chipata from ZMK31.5 to ZMK30. Minimal price reductions have been registered in Mongu and Lusaka. These price reductions may be attributed to an increase in production of broilers. On the other hand, the price of village chickens shot up in Lusaka, Mansa and Chipata to ZMW60, ZMW60 and ZMW50 respectively in the week ending 11th July 2014. Prices were however static in Kabwe and Mongu at ZMW50 and ZMW32.5 respectively.



Average Egg Prices

The table below shows that egg prices were lowest in Lusaka and highest in Chipata in the week ending 11th July 2014. Compared to the previous week, egg prices in Lusaka rose by 4% and Mongu prices by 2%. Chipata registered a reduction of 6% while Kabwe registered a reduction of about 7% with Mansa prices remaining constant.

Average Egg Prices per Tray - June 30th-July 4th



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