



THE WEEKLY AGRO WATCH



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21st July, 2014

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= K6.13

Prices as at 21th 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	162.3	1000	162.3	1350	219	1300	211	1200	195	1250	202.9	1200	194.8	1100	179	1200	194.8	1300	211
Wheat		0		0	2700	438	2330	378.2		0	2330	378.2	2550	414	2500	406	2400	389.6		
Soybeans	2000	324.7		0	2750	446	2500	405.8	2100	341	2400	389.6	2500	405.8	2519	409	2500	405.8		
Sunflower		0		0	1600	260	1350	219.2		0	1350	219.2	1450	235.4	1300	211	1300	211		

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

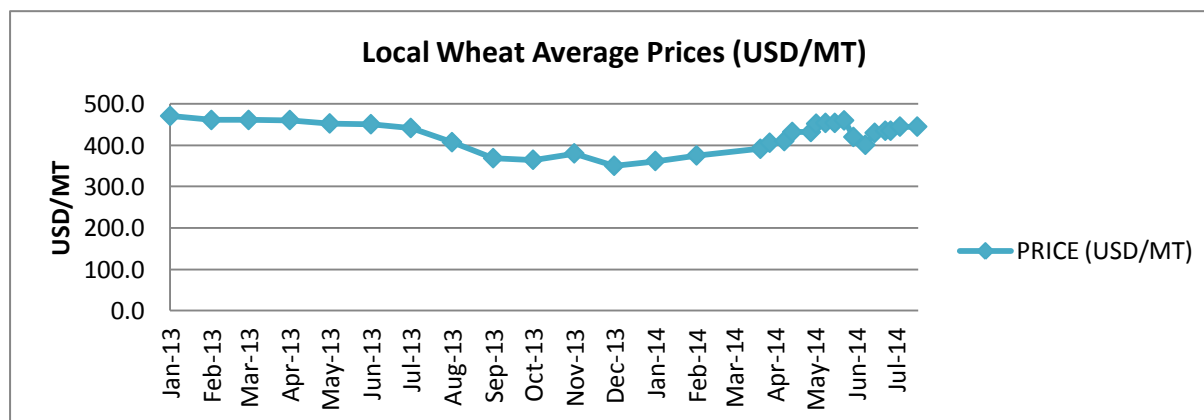
Exchange Rates

CURRENCY	21/07/2014						14/07/2014					
	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)	6.07	6.20	0.58	0.59	10.38	10.59	6.05	6.18	0.57	0.58	10.36	10.57
Standard Chartered Bank	6.07	6.19	0.57	0.58	10.38	10.58	6.05	6.17	0.57	0.58	10.36	10.56
ZANACO	6.08	6.2	0.57	0.58	10.34	10.61	6.03	6.15	0.56	0.57	10.27	10.54
Bank of Zambia (BOZ)	6.12	6.14	0.576	0.578	10.46	10.49	6.08	6.10	0.567	0.569	10.40	10.44

Commodity Highlights

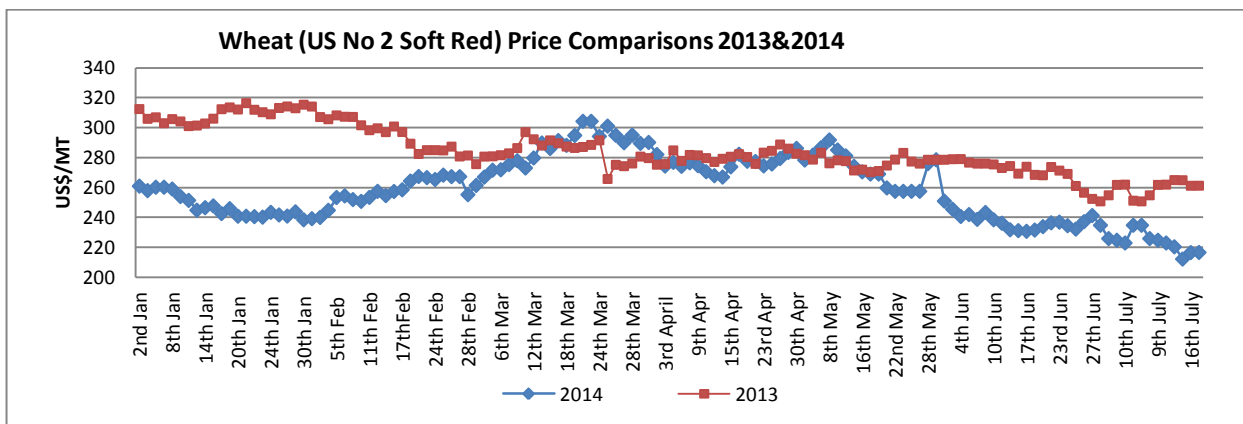
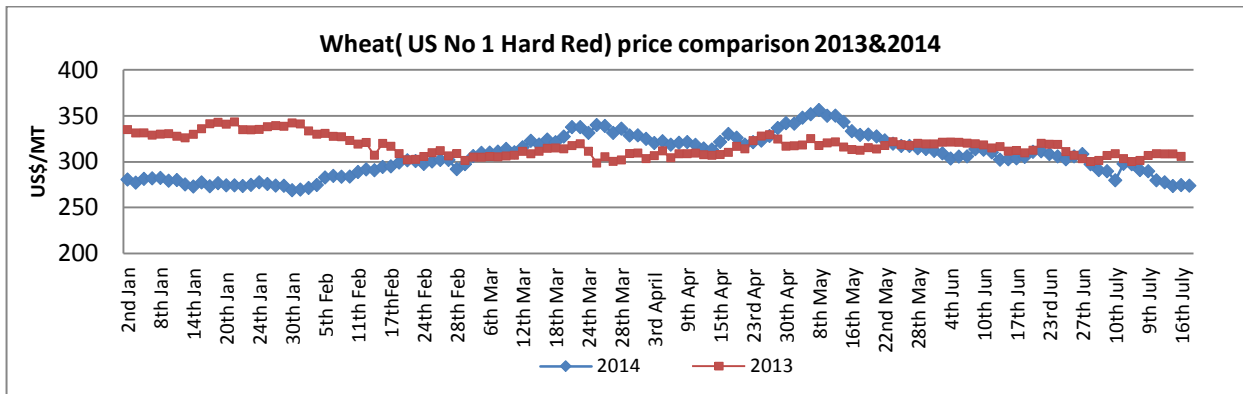
WHEAT Highlights

- The Indian government in a bid to curb price rise has decided to sell wheat from the Food Corporation of India (FCI) stocks in the open market. Media reports indicate that the food ministry in India has already moved a cabinet note to sell about 10 million metric tonnes of wheat. The FCI had wheat stock of close to 40 million metric tonnes against the strategic reserve and buffer stock norms of 19.1 million metric tonnes.
- The Chicago wheat futures price settled at US\$192/MT on Monday 21st July, 2014 afternoon.
- Locally wheat prices are in the range of K2.4-2.8/KG. the graph below shows wheat price trends:



Price trends

The Safex international soft red and hard red average wheat prices for last week settled at US\$216.42/MT and US\$274.63/MT respectively, 4.7 and 3.9 percent below the average prices recorded in the previous week. All prices are fob gulf.

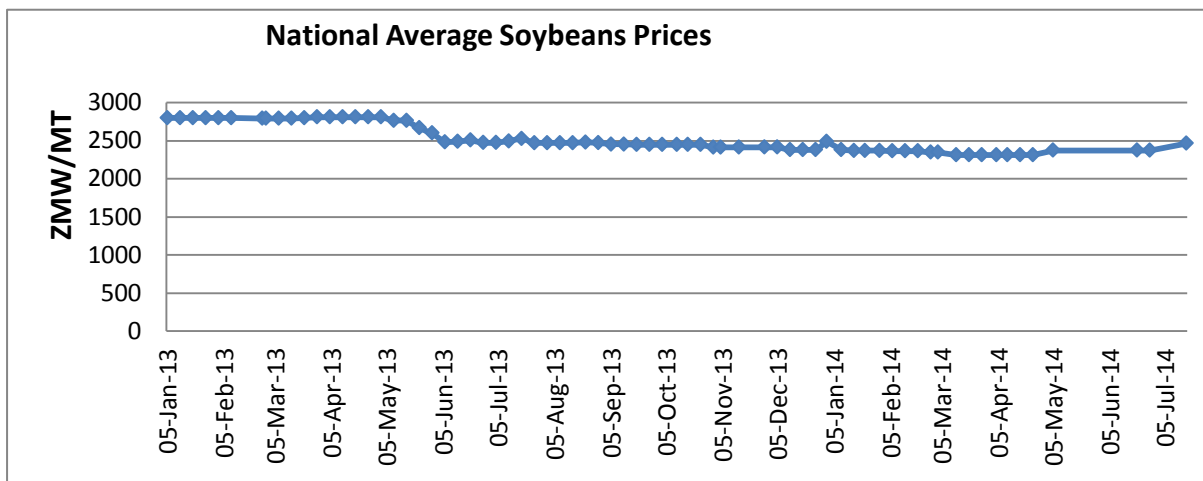


Source: Safex

SOYA BEANS

Highlights

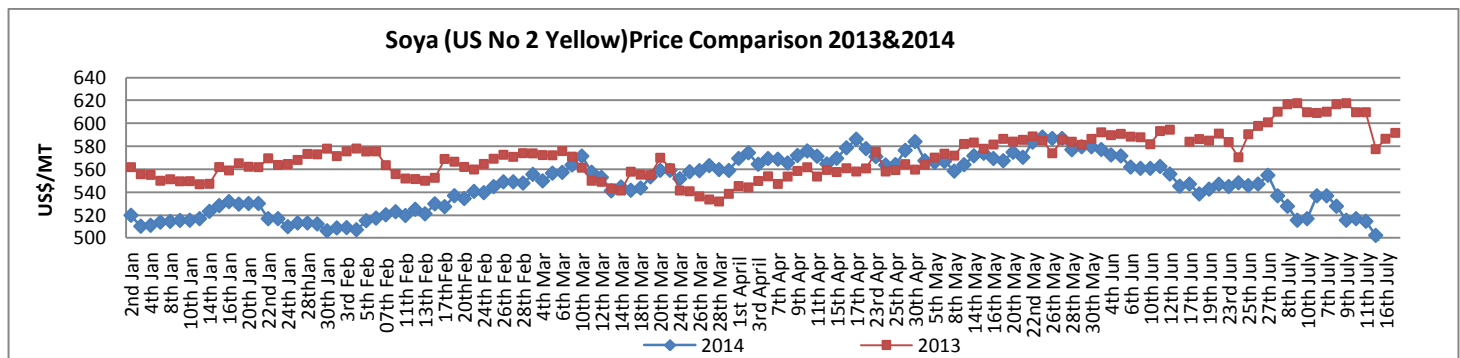
- Soybeans futures closed last week on a low note following the USDA report released on July 11 which projected record inventory increase for soybeans by Sept 2015. The USDA report also sent Palm oil futures into a bear market dropping 2.1 percent to close at US\$722/MT the lowest level since Sept. 26 as soybeans which are used as an alternative for making cooking oil prices dropped.
- The Chicago Soybeans futures price for delivery in August settled at US\$432/MT on Monday 21st July, 2014 afternoon.
- On the local market, the highest price offer for soybean on the market was pegged at K2.80/Kg, this is as captured by the ZNFU 4455 system. The graph below shows price trends for soybeans for the year 2013.



Source: ZNFU 4455 system

Price trends

Last week's average international price of US No. 2 yellow soya beans on Safex settled at US\$496.47/MT below the previous' week's average of US\$496.47/MT.

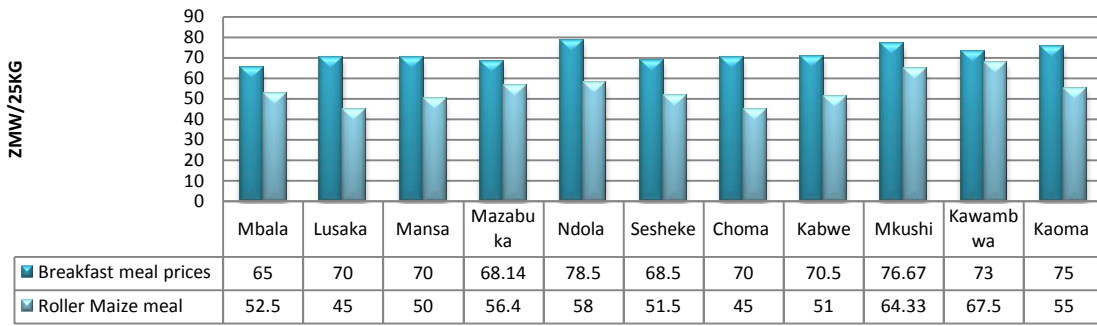


Source: Safex

Maize Highlights

- Results from the Ministry of Agriculture's second round crop assessment in Zimbabwe indicate that maize production for the country rose 82 percent to 1.46 million tonnes. According to a Fewsnet report, Zimbabwe's 2014 harvest for the staple maize is enough to meet annual domestic consumption for the first time since 2003. Zimbabwe produced 798,596 tonnes of maize during the 2012/13
- In associated news, the Grain Marketing Board in Zimbabwe is reported to have recorded an increase in delivery of maize and small grains due to improved producer prices. According to the country's Ministry of Agriculture, the GMB received 40 060 metric tonnes of maize an increase of 231% on the amount of maize delivered during the same period last year.
- The European Union will apply import tariffs of 5.32 euros (\$7.2) per tonne on maize imports into the European Union, the move follows a sharp price fall on international grains markets, linked to prospects for abundant global supply, which caused prices to drop below a floor used by the EU to determine whether to apply tariffs.
- The Chicago maize futures price settled at US\$146/MT on Monday 21st July, 2014 afternoon.
- On the local scene, maize prices have continued on a bearish trend as farmers anxiously wait for FRA to begin grain purchases. The highest maize price offer on the market as captured by the ZNFU 4455 has failed to push beyond the FRA floor price of K1.4/Kg.
- The graph below shows average Mealie meal prices for selected districts.

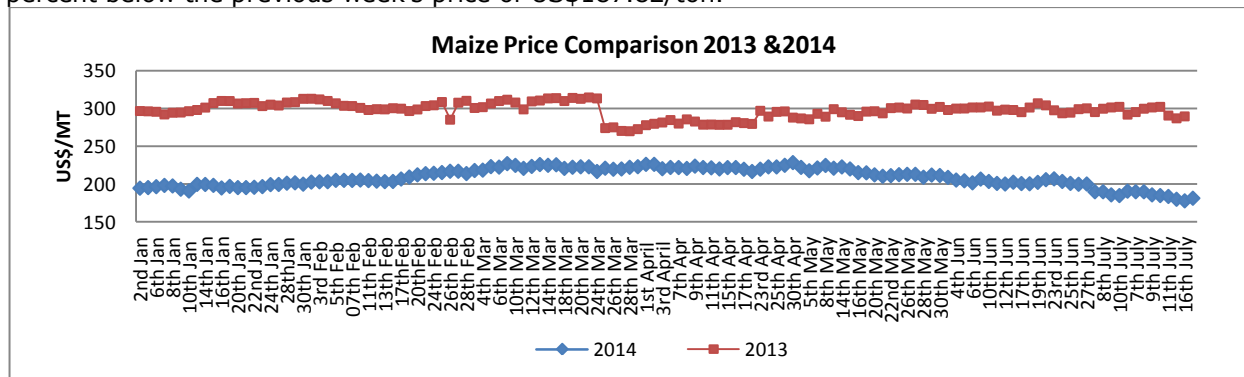
Zambia Mealie Meal Prices



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\$180.92/ton 3.67 percent below the previous week's price of US\$187.82/ton.



Source: Safex

COTTON Highlights

- International cotton prices are still bowing to the gravitational pull as China still sticks to utilization of its local cotton. The improved weather condition in the U.S cotton growing areas have also contributed to the falling cotton prices.
- On 21st July, 13:30hrs CAT, cotton prices on Cot look were pegged at 83.05 cents/pound (≈US\$1.82/Kg)
- The New York prices were hovering around 68.63 cents/pound (≈US\$1.5/Kg) by end of business on Friday

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CME Group

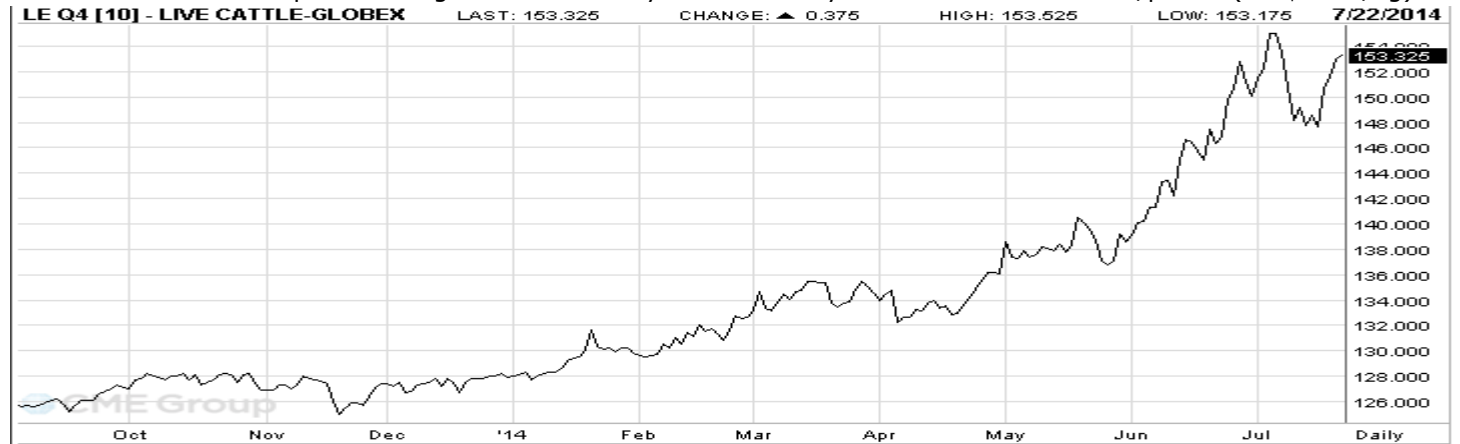
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BEEF

Highlights

- Meat and Livestock Australia has forecast its beef herd to fall to a two decade low of 26.1 million head by mid-2015. Factors behind this anticipated drop are prolonged droughts in Queensland and part of new Wales coupled with increased exports.
- According to the Brazilian Institute of Geographic and Statistics (IBGE) quarterly survey, Brazilian cattle slaughter during the first quarter of 2014 rose 2.9 per cent year-on-year, to 8.36 million head, but was down 5.9 per cent on the previous quarter. Increased international demand may increase the country's slaughter further.
- On the Namibian market, Grade A0 beef was trading in the range of R30-32.9 per Kg on 21st July 2014.
- The CME live cattle price for August 2014 delivery as of 22nd July settled at 153.32 cents/pound (US\$ 3.37/kg).



Source: CME Group

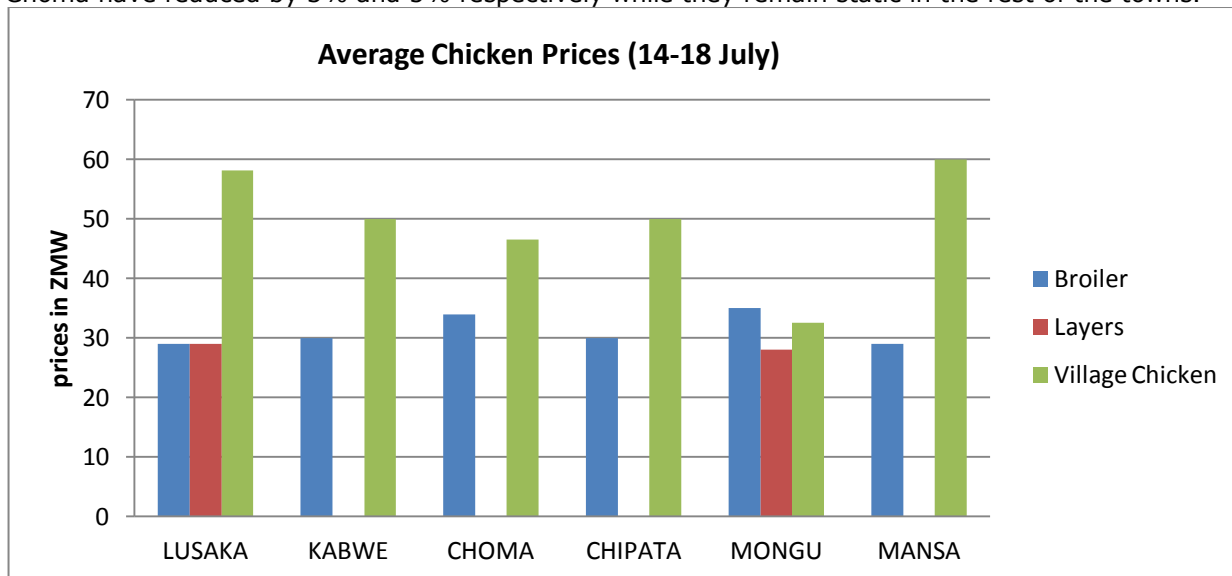
Poultry Industry Update

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 remained static, with Kabwe posting the highest price of Bokomo day old chicks at an average of ZMW5 while Mongu and Chipata are posting the highest prices for Hybrid day old chicks at an average of ZMW5.95. Kabwe and Choma recorded the lowest price for Hybrid chicks at ZMW4.5.

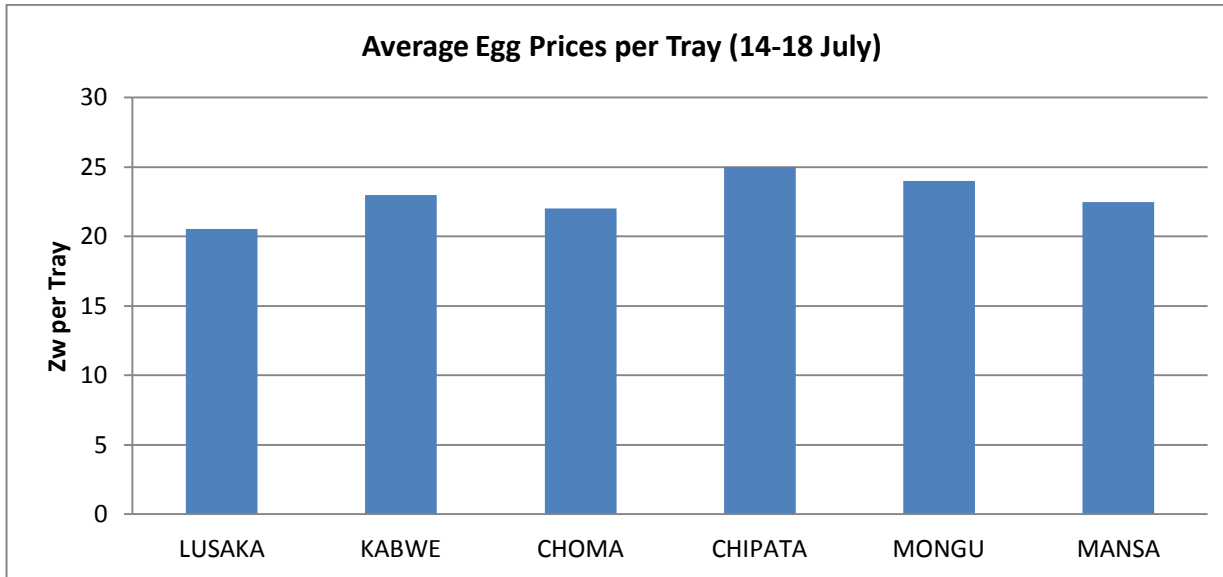
Average live Bird Prices

The graph shows the average live bird prices for Lusaka, Choma, Kabwe, Chipata, Mongu and Mansa. Compared to the previous week, last week's prices of broilers remained constant in Mongu, Chipata, Mansa and Kabwe. Lusaka shows a price reduction of about 3% while Choma shows a price increase of about 4.4%. The prices of village chicken in Lusaka and Choma have reduced by 3% and 5% respectively while they remain static in the rest of the towns.



Average Egg Prices

The table below shows the average price of a tray of eggs. Compared to last week the prices have remained static in all the towns. However, over the past five weeks most of the towns have shown changes in the price of eggs. Lusaka has recorded a price increase in the cost of eggs from ZMW19.02 to ZMW20.56 while Kabwe, Mongu and Chipata have had price reductions of ZMW30-ZMW23, ZMW 30-ZMW24 and ZMW26.5-ZMW25 respectively. Prices in Choma and Mansa have remained static over the five week period at ZMW22 in Choma ZMW22.5 in Mansa.



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