



THE WEEKLY AGRO WATCH



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25th August, 2014

Industry Updates

Swine Fever Hits Kabompo District

Kabompo has become the latest district to record pig deaths due to African swine fever. The District Veterinary Office is still compiling data on the number of pigs have been killed by the deadly disease. Government has since effected a pig and pig products movement ban within a 250 kilometer radius, covering Kabompo, Zambezi and Chavuma Districts. Kabompo becomes the fifth district in North Western Province to have been affected by African swine fever this year.

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= K6.08																				
Prices as at 22nd August,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	164	1350	222	1100	181	1100	181	1200	197	1150	189	1200	197	1200	197	1100	181
Wheat		0		0	2800	461	2400	395		0	2400	395	2650	436	2650	436	2500	411		0
Soybeans	2000	329		0	2750	452	2500	411	2100	345	2400	395	2500	411	2519	414	2500	411		0
Sunflower		0		0	2700	444	1350	222		0	2375	391	2500	411	2400	395	2400	395		0

Source: ZNFU4455

Import Parity Prices

The following import parity prices were compiled by ZNFU as at 22nd August 2014.

Domestic Import Parity Prices as at 22/08/2014					
		US\$/ZAR=10.70	US\$/ZMK=6.14		
Parity Prices		U\$/ZMK	Maize	Soya	Wheat
Lusaka		6.14	379.88	702.09	430.94
Town	ZMK	\$	\$	\$	\$
Chipata	275	44.79	424.67	746.88	475.73
Mkushi	225	36.64	416.52	738.73	467.58
Ndola	250	40.72	420.60	742.81	471.66
Kitwe	250	40.72	420.60	742.81	471.66

Export Parity Prices

The following import parity prices were compiled by ZNFU as at 22nd August, 2014.

Export Parity Price (EPP) Harare-Lusaka in USD/ton

Soya Beans	430.67
Wheat	375.13
Maize	313.95

Exchange Rates

CURRENCY	25/08/2014 (BOZ -22/08/14)						18/08/2014					
	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)	6.01	6.14	0.57	0.58	9.96	10.17	6.06	6.18	0.58	0.59	10.14	10.34
Standard Chartered Bank	6.02	6.14	0.56	0.58	9.96	10.16	6.06	6.18	0.58	0.59	10.13	10.33
ZANACO	6.00	6.13	0.56	0.57	9.89	10.15	6.06	6.18	0.57	0.58	10.09	10.35
Bank of Zambia (BOZ)	6.06	6.08	0.565	0.568	10.06	10.09	6.12	6.14	0.579	0.581	10.21	10.24

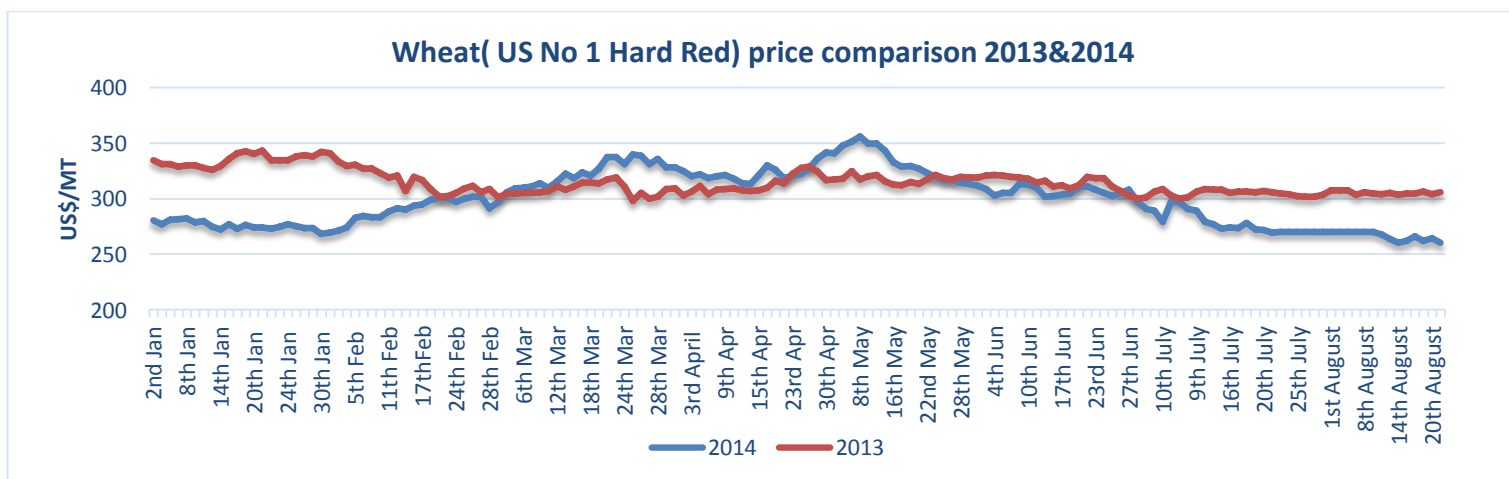
Commodity Highlights

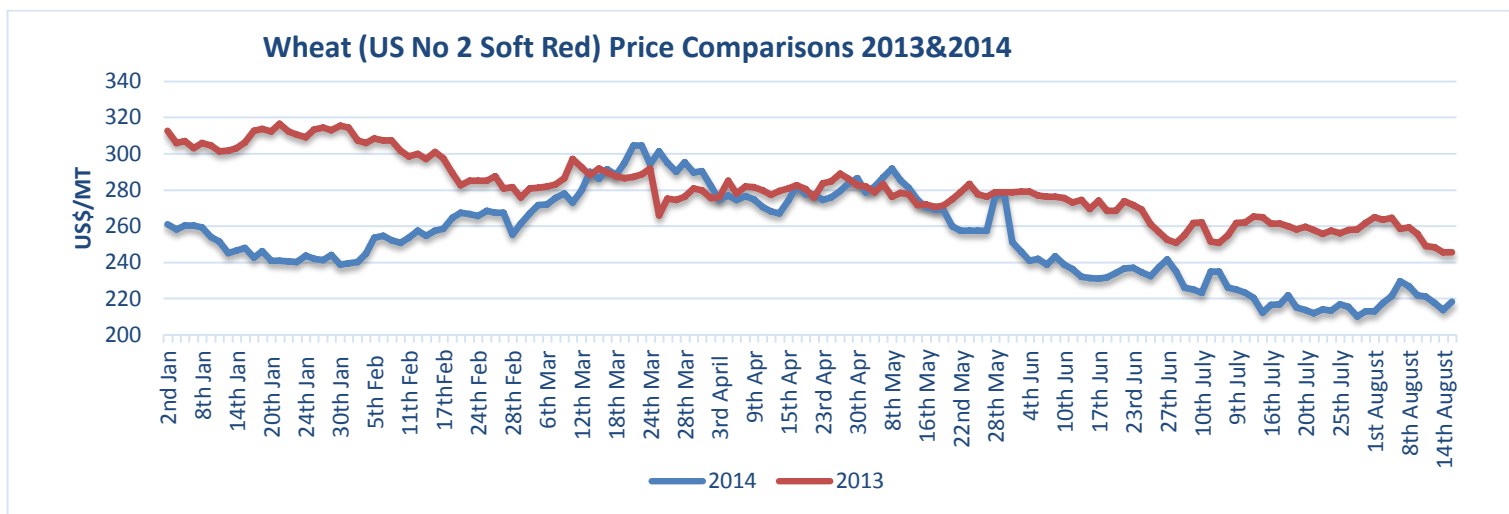
WHEAT Highlights

- Statistics Canada cut the country's wheat harvest expectations this year to 27.70 million tonnes citing the loss of crops to excessive rains in the main Prairies production area. Canada Last year harvested a bumper 37.53 million tonnes of wheat. Analysts had expected a figure of 28.5m tonnes.
- Total UK wheat imports in 2013/14 were 2.21 Million tonnes, second only to the record 2.96Mt imported in 2012/13. Within the EU, the main sources of UK wheat imports were Germany and Denmark, which accounted for 27% and 17% of all imports respectively.
- France, EU's top grower and exporter of wheat, has started importing wheat from Britain and Lithuania before the 2014/15 harvest due to poor grade crop being expected to harvest after rain damaged fields.
- Wheat for delivery in December settled at US\$204/MT on Friday 22nd August, 2014 Morning.

Price trends

The Safex international soft red and hard red average wheat prices for last week settled at US\$218.97/MT and US\$263.25/MT respectively. All prices are fob gulf.





Source: Safex

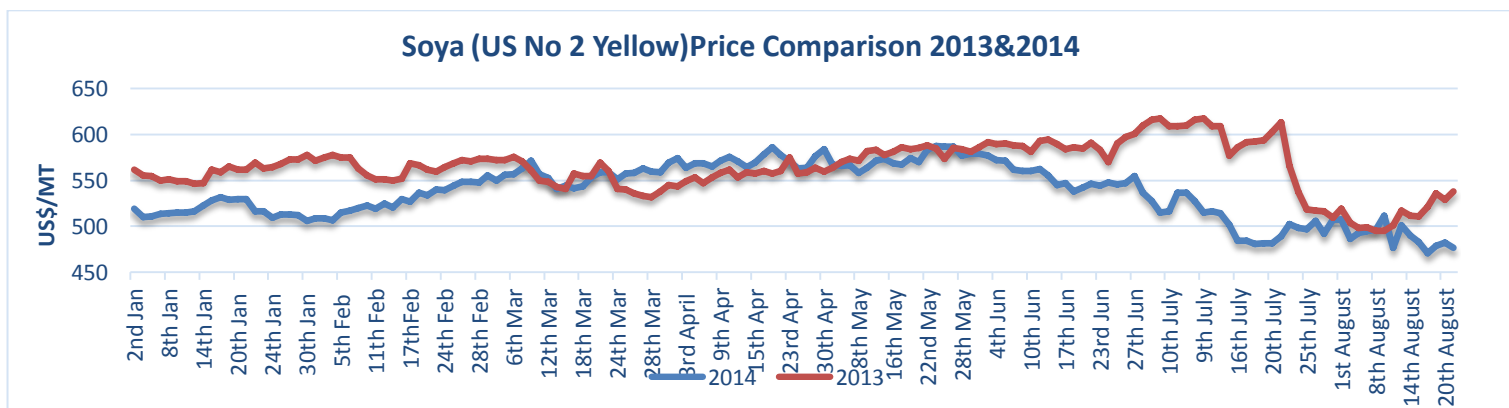
SOYA BEANS

Highlights

- Monsanto, the world's largest seed company expects to begin selling new soybean seeds resistant to a broader range of herbicides in 2016 pending regulatory approvals in major agricultural countries. According to the Wall Street Journal, Monsanto has sought U.S. Agriculture Department approval for the seeds since 2010.
- Soybeans for delivery in September settled at US\$422/MT on Friday 22nd August, 2014 Morning.
- On the local market, soybeans prices remain in the range of K2-2.8/kg.

Price trends

Last week's average international price of US No. 2 yellow soya beans on Safex settled at US\$477.25/MT, 0.94 percent below the previous' week's average of US\$492.78/MT. all prices are fob gulf.



Source: Safex

Maize

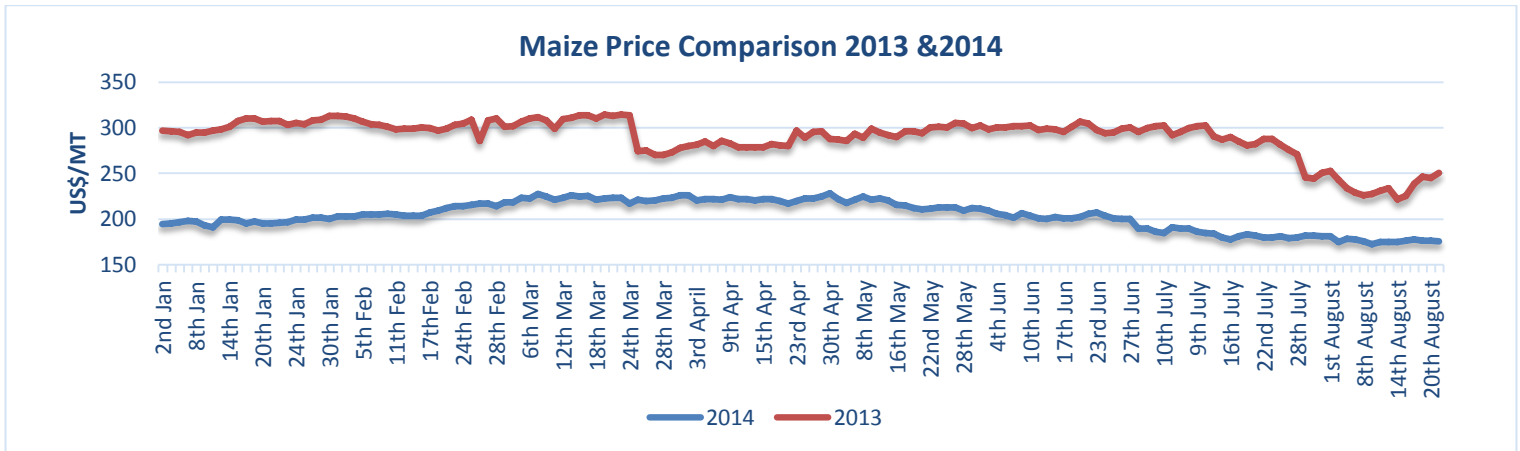
Highlights

- Zimbabwe is said to have imported nearly 121 000 metric tonnes of genetically modified (GM) maize from South Africa between February and July this year, in contravention of the country's own bio safety laws. According to the Herald Business in Zimbabwe, Statistics obtained from South Africa's Department of Agriculture show that the imports were by three non-governmental organisations, Louis Dreyfus, Topfer International and GAPS.
- South Africa is likely to slightly raise its 2014 maize output forecast, a Reuter's survey showed on Friday to 14.031. The government's Crop Estimates Committee (CEC) last month said maize output for 2014 would rise to 14.017 million tonnes.
- Cuba's maize production is poised to increase this year on account of good weather and projected higher yields .harvesting is expected to start late in September.
- Maize for delivery in December on CME settled at US\$145/MT on Friday 22nd August, 2014 Moring.

Locally, maize prices have entered into a bear market, with the highest price offer for the commodity pegged at K1.38/kg, this is as captured by the ZNFU 4455 price information system. FRA has also continued to make maize purchases.

Price trends

The average international price on Safex price of US No. 2 Yellow maize for last week settled at US\$176.46/ton 0.94 percent above the previous week's price of US\$174.82/ton.



Source: Safex

COTTON Highlights

- India could topple China as the world's largest cotton grower next year as farmers plant the biggest area ever, boosting production to near-record levels, according to the Cotton Association of India. The harvest is estimated at 39.63 million bales of 170 kg each, or 6.74 million tonnes, in the season starting October 1, the Association said in its first prediction for 2014-2015.
- China has released a warning to importers on the quality of cotton from Australia. According to Cotlook, 21.9 percent of Chinese imports from Australia since June 2014 did not reach the quality grade sold, significantly higher than the average unqualified ratio for the same grades from other origins (at 12.8 percent).
- Turmoil in South Africa's textile industry seems to have subsided with the workers ending their strike after being granted their 8.75 percent wage hike.
- The National Biotechnology Body of Zimbabwe has been quoted by international media to have told its parliament to push for the adoption BT cotton in an effort to increase the country's cotton production.
- The Cotlook 'A' index prices settled at 74.90 cents/pound (≈US\$1.75/Kg) on 21st August, 13:48hrs GMT.
- Cotton prices on the New York market were pegged at 66.18 cents/pound (≈US\$1.46/Kg) by end of day on Friday.



BEEF

Highlights

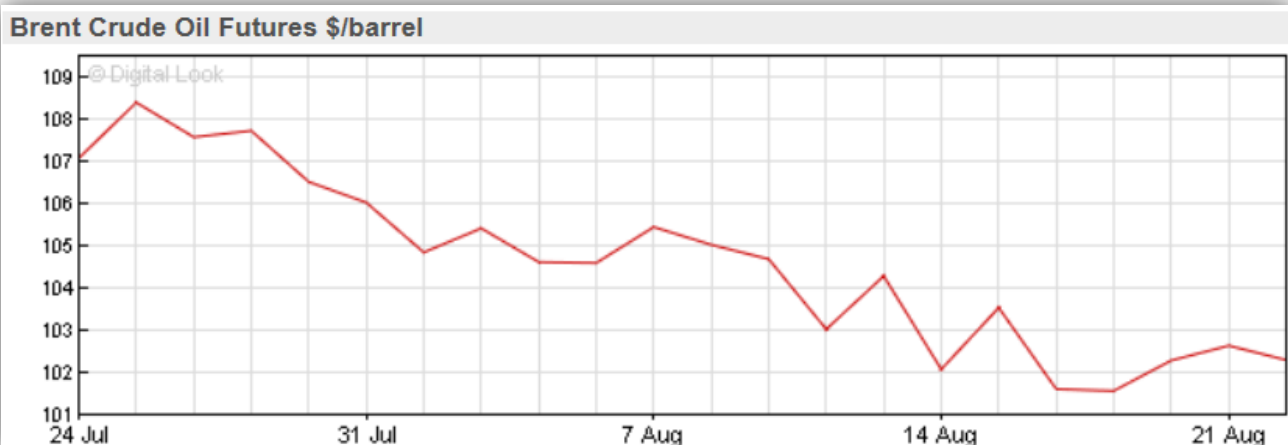
- While Iran's meat imports dropped by almost threefold due to the growth of its local meat industry, South Korea is expected to import more beef in 2015 as domestic numbers fall and prices rise.
- Foot-and-Mouth Disease has broken out in South Africa's Limpopo District, a key cattle rearing area in the north-east.
- On the Namibian market, weaners and heifers were auctioning for about R17.76/Kg and R14.52/kg respectively as at 18th August 2014. Meanwhile Class A1 beef in abattoirs was going for about R31-33.97/Kg on the same day.
- October 2014 delivery prices settled at 147.55 cents/pound (US\$ 3.25/kg) on, 25th August on the Chicago Mercantile Exchange.
- Local beef prices were trading in the range of ZMK13-20/kg, dressed weight, in the week ending 1st August 2014.



Source: CME Group

CRUDE OIL

- Brent prices settled at us\$102.2/barrel while WTI was pegged at US\$93.61/ barrel by end of day on 22nd August 2014.



ZRA Data on Selected Agricultural Commodities

Commodity		Jan	Feb	Mar	April	May	June
Edible oils /products							
Cooking oil	Import	1958	1086				
	Export	-	589.7	52	893.33	557.05	1 177.23
Crude palm oil	Import	1945.611	3019.5				
	Export	-	-	-	-	-	15.50
Crude Soya oil	Import	648.21	620.07				
	Export			-	-	-	-
Soya cake	Import						
	Export	4979.026	5931.415	8330.52	7726.64	1029.43	1 320.86
Sunflower cake	Imports						
	Exports	210	120	-	-	-	-
Soybeans	Imports						
	Exports			4 521.06	1 548.93	3 821.66	7 047.94
Fresh Bananas	Import		180	210			
	Export			-	-	-	-
Grains /Cereals							
Wheat flour	Import	1.8875	1.869	3.65			
	Export	1845.439	985	1863.135	1586.18	1089.05	-
Wheat grain	Imports						
	Exports	930	1482.13	4343.14	569.28	236.70	430.60
Wheat bran	Import						
	Export			-	546.74	954.11	207.54
Maize grain	Import						
	Export	5234.36	3432.1	4353.32	7027.53	3 593.94	10 320.38
Mealie meal	Import						
	Export	6735.885	12173.7	13811.2	5345.20	2 852.62	1 458.32
Maize bran	import						
	Export	3694.95	4516.86	5469.77	8193.79	9 113.71	4 099.65
Maize seed	Import						
	Export	60	1228	140	350	50	3 382.17
Barley	Import						
	Export	745	1762	1037	1390	1 770	2 342
Livestock/Livestock products							
Whole chicken	Import	36.813	48.973				
	Export			-	0.36	0.20	-
Mechanically deboned Chicken	Import	257.205	209.544				
	Export			-	-	-	-
Beef	Import						
	Export			1.3	-	-	-
Pork	Import	0.022					
	Export			-	0.65	0.51	580
Breeding Goats	Import						
	Export			-	-	-	-
Cattle weaner	Import	104.8	200	252			
	Export			-	-	-	-
Dairy products							
Full cream Milk	Import	148.5666	109.91	21			
	Export	150	15.03	194	7.86	167.97	38.33
Powdered Milk for reconstitution	Import		88.4598				
	Export			-	-	1.50	-
Others							
Household Sugar	Import						
	Export	3154.66	5992.58	8966.72	15058.67	26781.25	26 101.36
Cotton cake	Import						
	Exports	435.35	1516.18	1548.24	1972.21	596.92	204
Cotton seed	Import						
	Export	1138.04	2354.17	360	1121.37	150.56	-

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

