



THE WEEKLY AGRO WATCH



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8th September, 2014

Industry Updates

SADC TO RECEIVE NORMAL RAINFALL DURING 2014/15 AGRICULTURAL SEASON

The Southern Africa Development Community (SADC) is expected to receive normal to above normal rainfall for the period October to December 2014. This is according to a statement from the eighteenth southern Africa regional climate outlook forum (sarcof-18) recently held in Namibia. The northernmost Democratic Republic of Congo (DRC), northern Madagascar and Mauritius are however more likely to receive normal to below-normal rainfall. Between January and March 2015, the bulk of the region is forecast to receive normal to above normal rainfall except for the greater part of DRC, northernmost Angola and Mauritius which are likely to receive normal to below-normal rainfall.

Import Parity Prices

The following import parity prices were compiled by ZNFU as at 5th September, 2014.

Domestic Import Parity Prices as at 05/09/2014					
		US\$/ZAR=10.74	US\$/ZMK=6.12		
Parity Prices		U\$/ZMK	Maize	Soya	Wheat
Lusaka		6.04	373.66	684.14	505
Town	ZMK	\$	\$	\$	\$
Chipata	275	45.53	419.19	729.67	550.53
Mkushi	225	37.25	410.91	721.39	542.25
Ndola	250	41.39	415.05	725.53	546.39
Kitwe	250	41.39	415.05	725.53	546.39

Export Parity Prices (Harare Lusaka)

The following export parity prices were compiled by ZNFU as at 5th September, 2014.

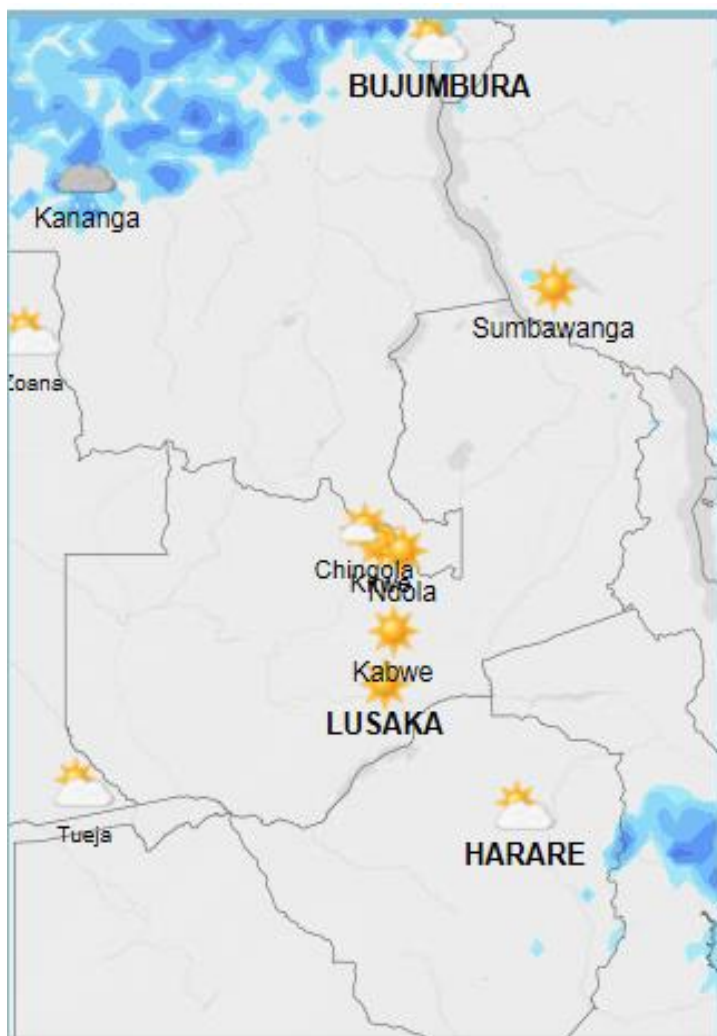
Export Parity Price (EPP)Harare-Lusaka	
Soya Beans	433.09
Wheat	375.13
Maize	313.95

Exchange Rates

CURRENCY	08/09/2014 (BoZ- 05/09/14)						01/09/2014					
	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	6.13	0.56	0.58	9.72	9.92	5.96	6.08	0.56	0.58	9.91	10.11
Standard Chartered Bank	6.01	6.12	0.56	0.57	9.71	9.91	5.59	6.01	0.56	0.57	9.81	10.08
ZANACO	6.00	6.12	0.56	0.57	9.67	9.91	5.95	6.06	5.44	5.58	9.82	10.08
Bank of Zambia (BOZ)	6.05	6.07	0.57	0.58	9.86	9.89	6.02	6.05	0.565	0.567	10.02	10.05

Weather Update

The table summarizes the weather forecast for some selected towns for the period 7th to 14th September 2014.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ 7th -10 will be partly cloudy with chances of shower on 9th September afternoon. The rest of the week will be sunny with clear skies. ➤ Average Temperatures: 24-31°C. ➤ Light and gentle breeze throughout the week
Mkushi	<ul style="list-style-type: none"> ➤ 7th and 8th will be partly cloudy with 1.2mm or rain showers expected on the 9th. The rest of the week will be sunny with clear skies. ➤ Average Temperatures:24-31°C ➤ Moderate, Light to gentle breeze throughout the week
Kabwe	<ul style="list-style-type: none"> ➤ Clear sunny skies throughout the week except for the 9th which is forecast to have 0.8 mm of rain showers ➤ Average Temperatures:23-31°C ➤ moderate and gentle breeze throughout the week
Lusaka	<ul style="list-style-type: none"> ➤ Clear sunny skies throughout the week except for the 9th which is likely to have 1.1mm of rain showers. ➤ Average Temperatures:24-32°C ➤ Moderate and gentle breeze throughout the week.
Mazabuka	<ul style="list-style-type: none"> ➤ 2.4mm of rain is expected on the 9th. The rest of the week is expected to have sunny clear skies save for the 10th when it will be fairly cloudy. ➤ Average Temperatures:25-33°C ➤ Light and gentle breeze throughout the week.
Choma	<ul style="list-style-type: none"> ➤ Clear sunny skies throughout the week save for the 9th when 1.1mm of rain is forecast and the fairly cloudy skies expected on the 10th and 11th. ➤ Average Temperatures:22-31°C ➤ Moderate and gentle breeze throughout the week

Source: Norway meteorological Institute

COMMODITY HIGHLIGHTS

Local Commodity Prices

Grains

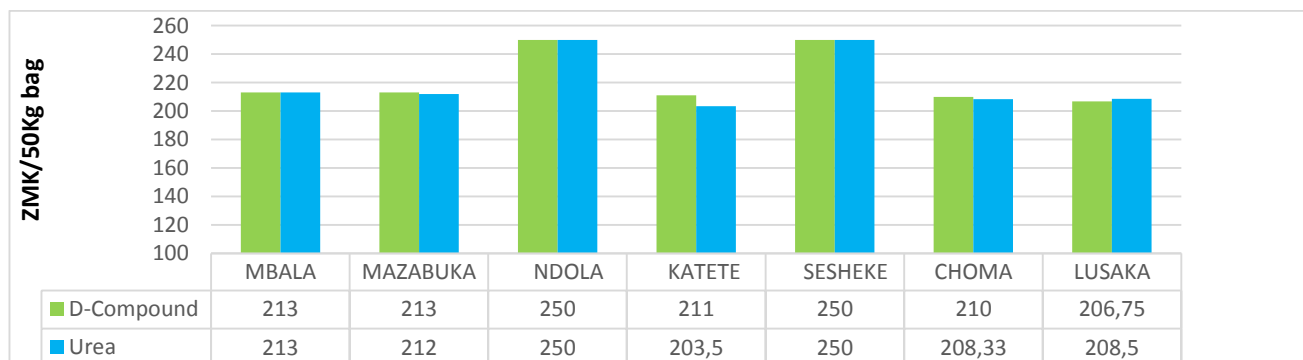
The table below shows average commodity prices as captured by the ZNFU regional offices and 4455 Price information system:

Exchange rate :USD 1= K6																		
Prices as at 8th August,2014/ per metric ton																		
	Mbala		Mansa		Lusaka		Mazabuka		Sesheke		Choma		Kabwe		Mkushi		Ndola/Kitwe	
	K	USD	K	USD	K	USD	K	USD	K	USD	K	USD	K	USD	K	USD	K	USD
White Maize	1000	167	1100	167	1380	230	1150	183	1100	183	1200	200	1200	192	1200	200	1200	200
Wheat		0		0	2800	467	2400	400		0	2400	400	2650	442	2650	442	2500	417
Soybeans	2000	333		0	2750	458	2500	417	2100	350	2400	400	2500	417	2519	420	2500	417
Sunflower		0		0	2200	367	1000	167	1000	167	1150	192	1500	250	1200	200	1200	200

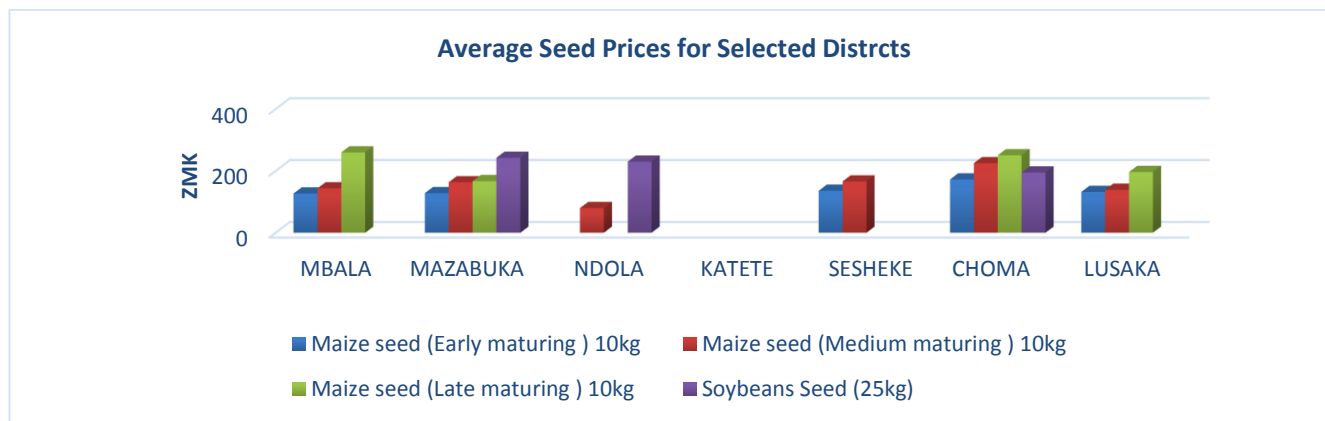
Source: ZNFU 4455

Fertilizer

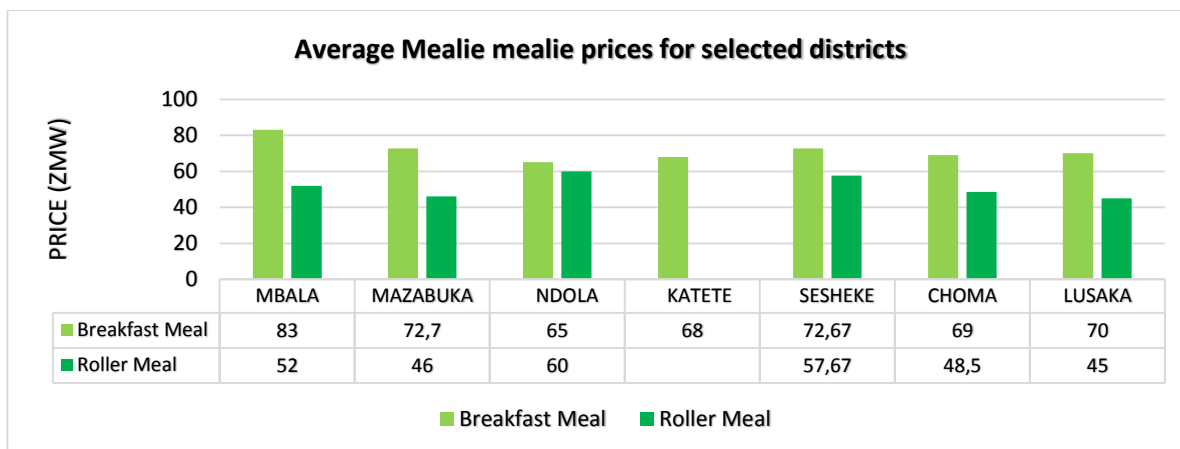
The graph below shows fertiliser prices for selected districts as captured by ZNFU regional offices.



Seed



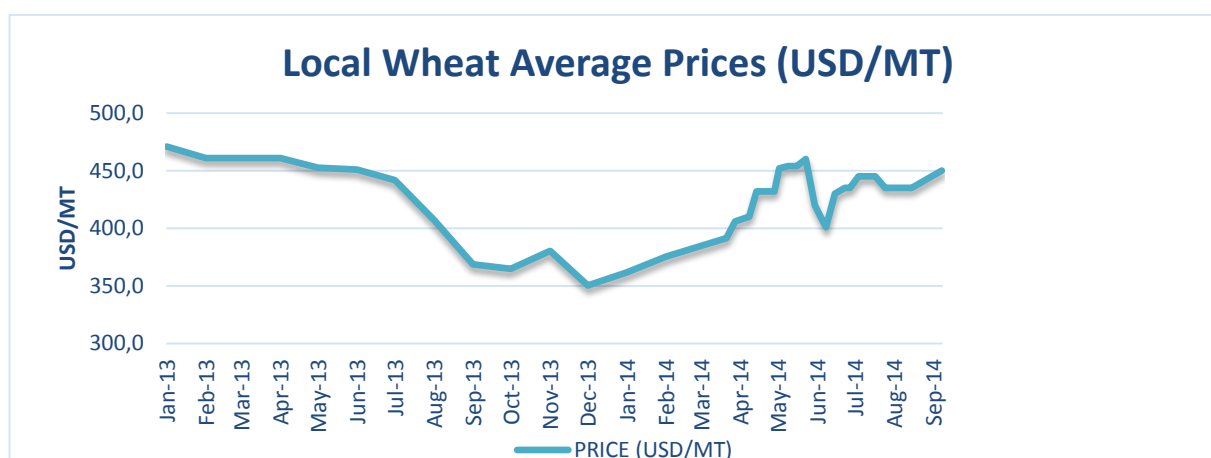
Mealie Meal



WHEAT

Highlights

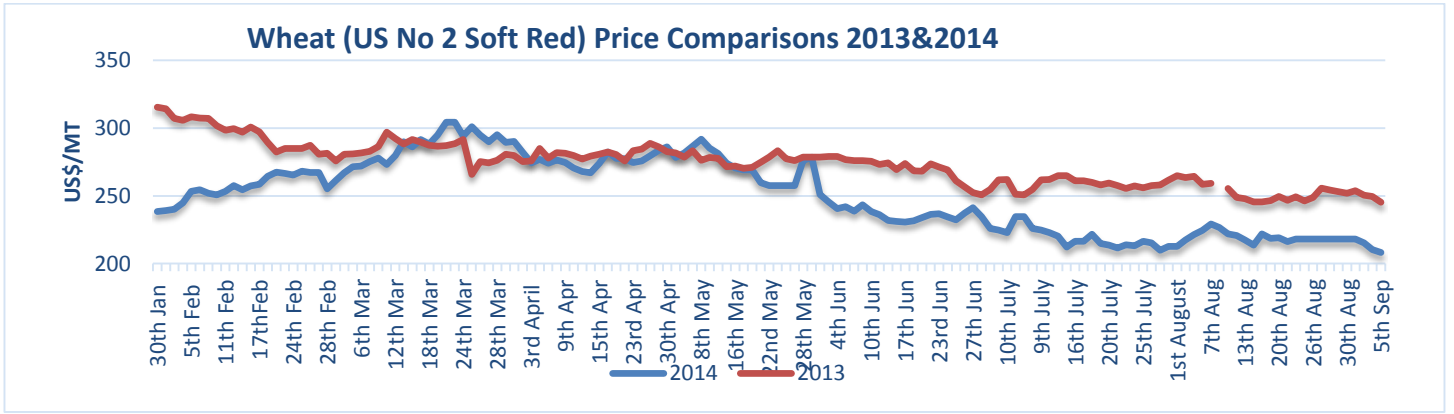
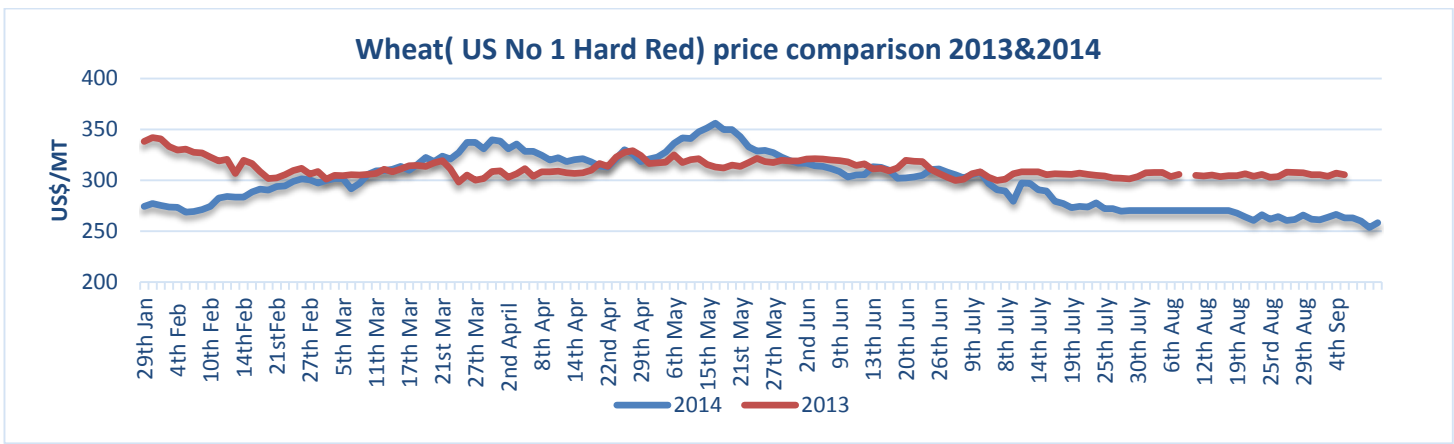
- Algeria faces record wheat imports in 2014/15 as the country is postured to import up to 7.5million tonnes of the grain. The US Department of Agriculture bureau in Algiers said Algeria's wheat import needs may hit a record high, at a time of poor quality supplies from its default origin, France.
- The European Union during the previous week granted export licences for 852,000 tonnes of soft wheat, taking the total since the beginning of the 2014/2015 (July-June) season to 4.6 million tonnes, official data showed on Thursday.
- The General Authority for Supply Commodities (GASC) in Egypt bought its first French wheat at tender in nearly eight months, as offers from Russia, which has started strongly on its 2014-15 export campaign, rose out of competitiveness. GASC, bought 60,000 tonnes of French wheat whose export prospects this season have been clouded by rain damage to the quality of its harvest. The purchase reflected a drop in the offer price to \$240.40 a tonne.
- Germany's farm ministry lifted its domestic wheat harvest estimate to 27.94million tonnes, a rise of 11.7% from last year's 25.02 million tonne crop. Germany is the European Union's second biggest producer of wheat after France.
- Chicago Wheat for delivery in December was pegged at US\$193/MT Monday morning 8th Sept, 2014 morning.
- Wheat prices locally are pegged around US\$ 452/MT in Lusaka. 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\$216.01/MT and US\$261.30/MT respectively, 0.99 and 0.60 percent below the average prices recorded in the previous week. All prices are fob gulf.

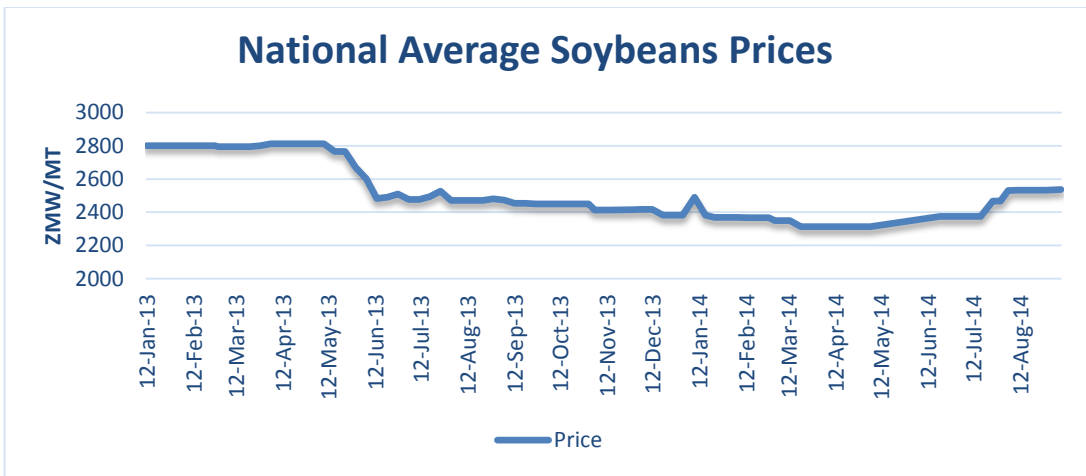


Source: Safex

SOYA BEANS

Highlights

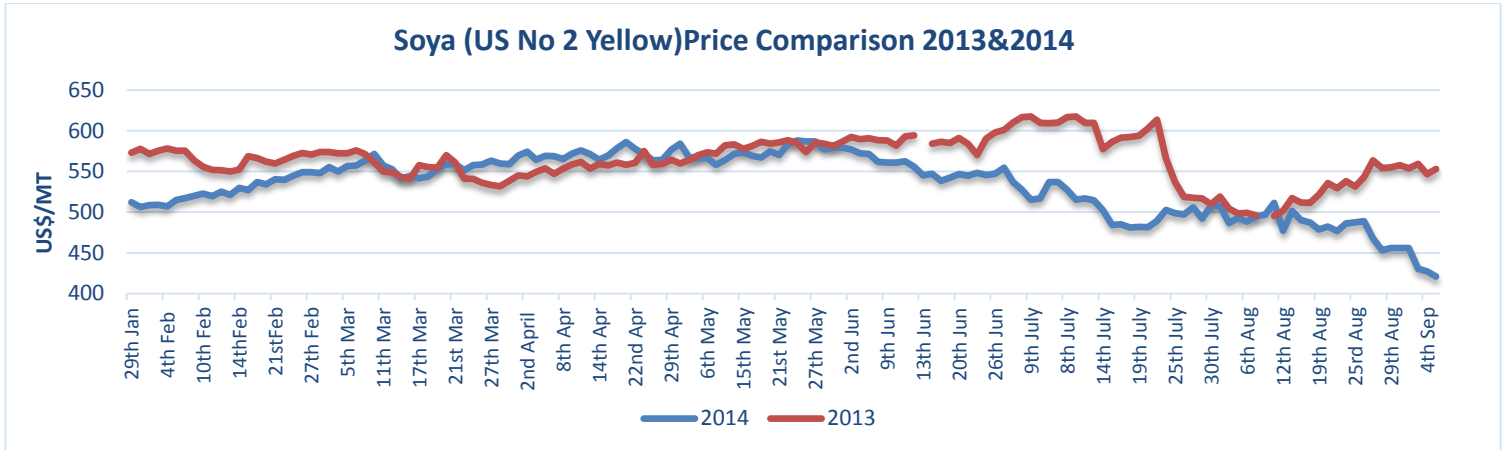
- Indian soybean area planted has recorded a drop of 9 per cent during 2014 at 10.90 million hectares.
- The international grains council raised slightly its projection for soybeans production in 2014/15 from 304.1 million tonnes to 304.4 million tonnes.
- Chicago soybeans for delivery in November was pegged at US\$373/MT on Monday, 8th Sept, 2014 morning.
- The local price for soybeans has remained steady with the highest price offer for the commodity on the market still pegged at K2.8/Kg, this is as captured by the ZNFU 4455 price information system. The graph below show price trends for the oilseed;



Source: ZNFU 4455 market price information system

Price trends

Last week's average international price of US No. 2 yellow soya beans on Safex settled at US\$445.20/MT, 6.62 percent below the previous week's average of US\$476.76/MT. all prices are fob gulf.



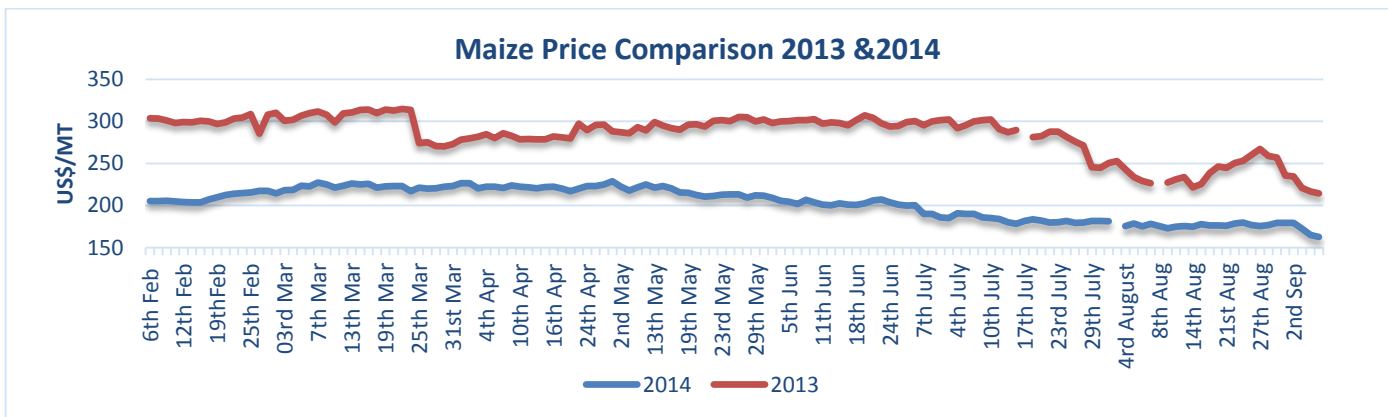
Source: Safex

Maize Highlights

- The International Grains Council in its latest grain market report raised by 4 million tonnes its forecast for global maize production in 2014/15 to 973 million metric tonnes from its July estimate of 969 million metric tonnes. The 2013/14 production was estimated at 982 million metric tonnes.
- The USDA in their quarterly report say they anticipate a drop in the value of US exports due to lower prices of maize, wheat, and soybeans. Maize exports are expected to drop to \$8.9 billion, due to strong crops throughout the world. Global supplies are expected to be plentiful, resulting in renewed export competition and weak prices, the report says.
- Chicago maize for delivery in December was pegged at US\$137/MT on Monday morning 8th Sept, 2014 morning.
- Locally maize prices as captured by the ZNFU 4455 system ranged between K1-1.4/KG in the past week.

Price trends

The average international price on Safex price of US No. 2 Yellow maize for last week settled at US\$174.97/ton, 1.4 percent below the previous week's price of US\$177.46/ton. All prices are fob gulf.

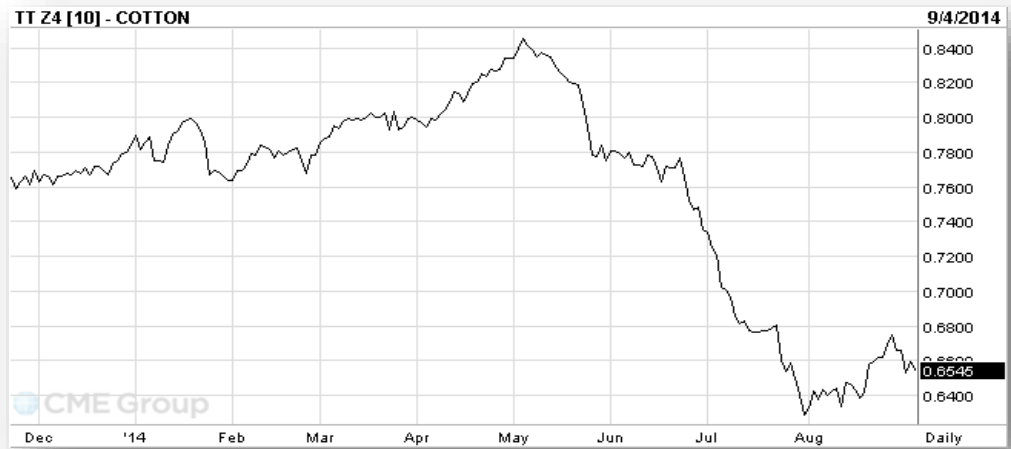


Source: Safex

COTTON Highlights

- In a bid to boost the country's cotton production by reducing susceptibility to drought, the Swaziland Cotton Board is exploring the possibility of introducing genetically modified cotton in the country. The newly established big bend ginnery of Swaziland has ginned about 1,200 tons of cotton since April according to the cotton board. Swaziland's estimated 2014 cotton production is 2400 tons from an area of 4000 hectares.

- South Africa's seed cotton production for the 201/14 season is estimated to be higher than the previous season's output by 74 percent. The 2014 harvest is estimated at 24,936 metric tons by the country's cotton association.
- Locally, the cotton marketing season has effectively closed with prices hovering around K3.1/Kg. The higher prices experienced this season may see Zambia dedicate more hectares to the cotton crop.
- On 4th September 15:38hrs CAT, cotton prices on Cotlook were pegged at 74.95 cents/pound (\approx US\$1.65/Kg).
- Cotton prices on the New York market ended trading on 4th September at US\$0.6545/pound (\approx US\$1.44/Kg).



BEEF

Highlights

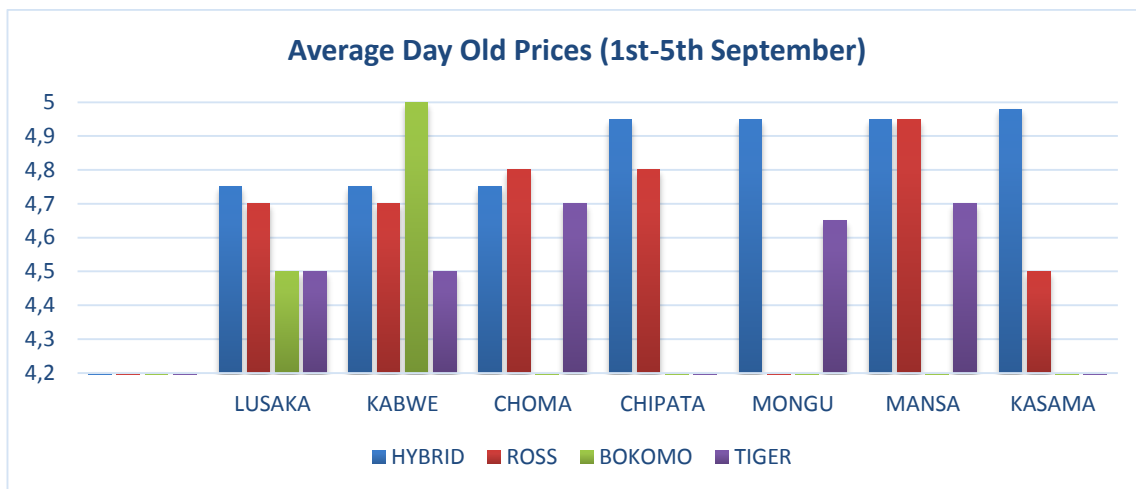
- With beef prices down by about 200 Euro's per head from last year on the Irish market, the farmers in Ireland are demanding for a supply chain response as farmers were taken the full blow of the financial hit. The beef site further stated that the farmers were calling for a strong live export so as to keep a balance in supplies.
- About 3 percent of Botswana's cattle in Zone 6 have measles according to a statement made by the Botswana meat commission on 1st September. Farmers' were being encouraged to curb the disease as measles affects the quality of meat and may affect the country's access to the European Union market.
- On the Namibian market, weaners and heifers were auctioning for about R17.68/Kg and R15.92/kg respectively as at 29th August 2014. Meanwhile Class A1 beef in abattoirs was going for about R31-33.97/Kg on 1st September 2014.
- October 2014 delivery prices settled at 151.42 cents/pound (US\$ 3.33/kg) on, 25th August on the Chicago Mercantile Exchange.
- Local beef prices have edged upwards and were trading in the range of ZMK14-26.5/kg, dressed weight, in the week ending 5th September 2014.



POULTRY

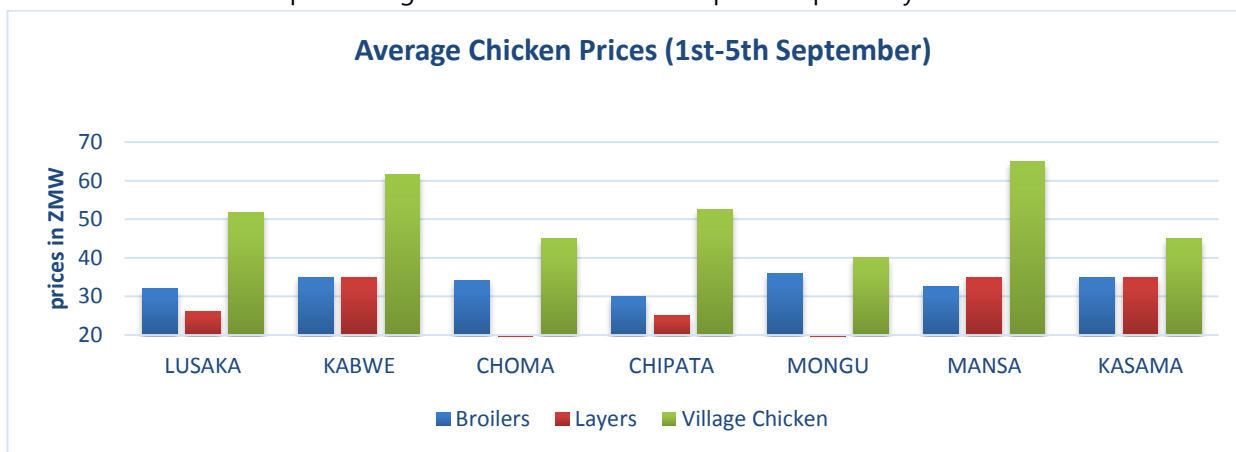
AVERAGE DAY OLD CHICK PRICES

The graph below shows average prices of day old chicks for selected towns. The price of day old chicks has been stable the past two weeks in most towns except for Mansa where the price of Hybrid day old chicks increased from ZMW 4.73 to ZMW 4.95 and from ZMW4.8 to ZMW4.95 for Ross, representing 4.65% and 3.1% increase in price respectively. Meanwhile supply of day old chicks remains very stable in the market.



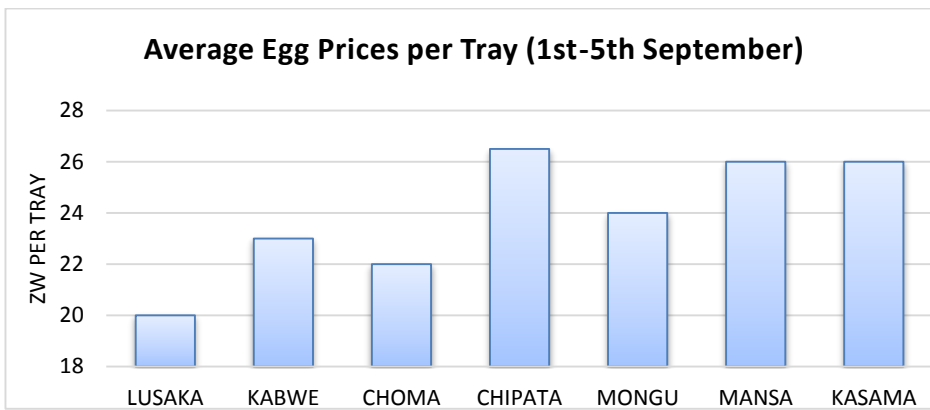
AVERAGE LIVE BIRDS PRICES

The graph below shows the selected average live bird prices in Lusaka, Choma, Kabwe, Chipata, Mongu and Mansa. The graph shows consumer preference for village chickens in all the towns that are displayed as is evident from the high price being charged for village chicken compared to broilers and layers. The price of village chicken in Mansa has taken an upswing from the ZMW45 charged two weeks ago to ZMW65 this week, representing a price increase of 44.4%. Kabwe has the second highest priced village chicken at ZMW61.67, also representing a dramatic 76.2% price increase from the ZMW35 charged two weeks ago. The price of village chicken in Lusaka, Chipata, Kasama, Choma and Mongu is ZMW51.67, 52.5, 45, 45 and 40 respectively. The price of layers have been relatively stable while the price of broilers in Lusaka and Mansa have dropped from ZMW33.4 to ZMW 32 and from ZMW35 to ZMW 32.5 representing 4.2% and 7% increase in price respectively.



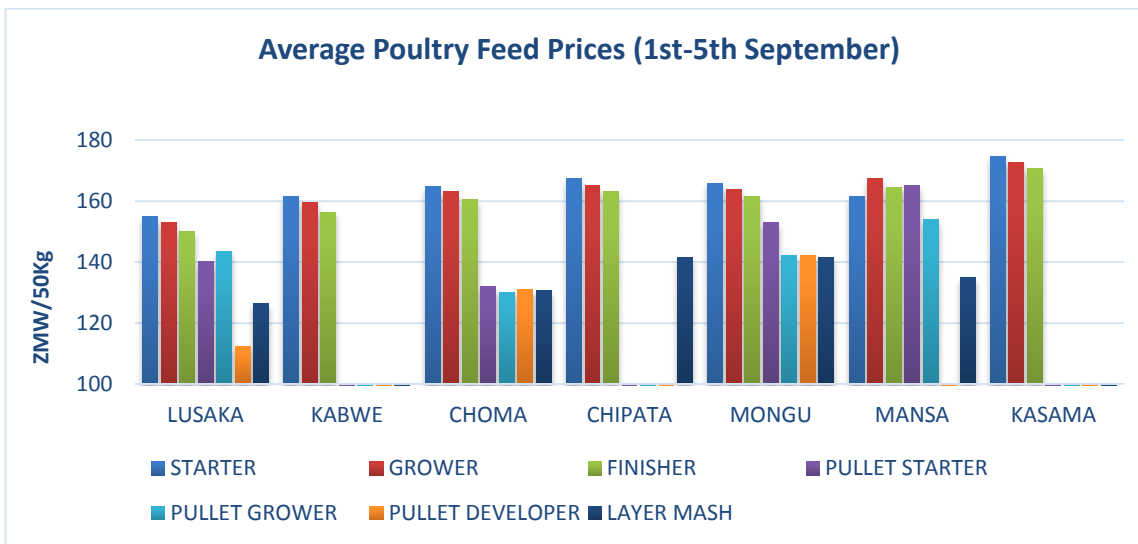
AVERAGE EGG PRICES

The table below shows average prices of eggs in selected provincial centres around the country. The price of eggs per tray has remained relatively static in most towns except in Lusaka where the price has reduced from ZMW20.50 to ZMW20 representing 2.4% price reduction and Kabwe where the price has risen from ZMW21 to ZMW23 representing 9.5% price increase. Chipata is posting the highest price for a tray of eggs at ZMW26.5



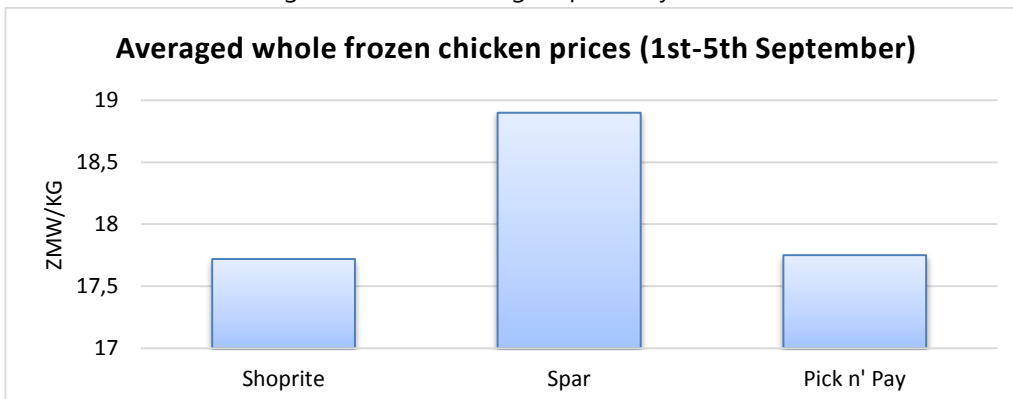
AVERAGE FEED PRICES

The average feed prices have remained relatively stable during the course of the week. The graph below shows the average poultry stock feed prices with Lusaka posting the lowest prices in terms of feed compared to other towns. Kasama is posting the highest prices for all broiler feeds. The graph further shows that pullet feeds are generally lower than broiler feeds. No price statistics for pullet feeds have been captured for Kabwe while only layer mash prices were captured in Chipata.



AVERAGE WHOLE DRESSED CHICKEN PRICES

The graph below shows average prices of whole frozen chickens in the three chain stores around in Lusaka. Shoprite has the lowest priced chickens compared to Spar and Pick n' Pay. The average price of frozen whole chicken in Shoprite is ZMW17.72/Kg, with the lowest price going for ZMW15.49 /Kg and the highest pegged ZMW19.90/Kg. The lowest priced chicken in Spar is going for ZMW15.49 while the highest priced is going at ZMW20.70 per kg and the average price per Kg of frozen whole chicken in Spar is ZMW18.9 per kg. The average price of whole frozen chicken in Pick n' Pay is ZMW17.75/kg, with the lowest and highest priced chicken at ZMW17.50/Kg and ZMW17.99/Kg respectively.



ZRA Data on Selected Agricultural Commodities

Commodity	Unit		MAR	APR	MAY	JUN
Edible oils /products	Metric tons					
Cooking oil		Import	1617.8	1868.52	1536.28	1456.28
		Export	52	893.33	557.05	1177.23
Crude palm oil		Import	2794.8	-	588.82	2375.44
		Export				15.5
dCrude Sunflower		Import	-	34.96	-	-
		Export				
Crude Soya oil		Import	875.5	1202.31	700.37	842.71
		Export				
Soya cake		Import	-	40.05	1	30.06
		Export	8330.52	7726.64	1029.43	1320.86
Sunflower cake		Imports				
		Exports				240
Soybeans		Imports	0.003	240.25	347.04	-
		Exports	4849.12	2933.31	697.76	10745.28
Fresh Bananas		Import	218.2	182.99	117.3	163.64
		Export				
Grains /Cereals						
Wheat flour		Import	17.38	1.12	2.29	35.02
		Export		1586.18	1089.05	-
Wheat grain		Imports	0.24	0.101	3.83	-
		Exports	4343.14	569.28	236.7	430.6
Maize grain		Import	0.55	-	0.35	-
		Export	4353.32	7027.53	3593.94	10320.38
Mealie meal		Import	28.76	6.14	67.5	
		Export	88	5345.2	2852.62	1458.32
Wheat seed		Import		0.02		
		Export			15	
Maize Bran		import		0.05	26.04	
		Export	5469.77	8193.79	9113.71	4099.65
Wheat Bran		Import	0.04	-	0.04	-
		Export	-	546.74	954.11	207.54
Maize seed		Import	-	3.5	-	304.63
		Export	-	350	50	3382.17
Barley		Import	482.02	456.73	698.12	591.14
		Export	1037	1390	1770	2342
Livestock/Livestock products						
Whole chicken		Import	369.42	457.42	262.57	-
		Export			0.2	
Mechanically deboned Chicken		Import		52.08	380.1944347	
		Export				
Beef		Import		23.25	82.52	71.21

		Export				
Pork		Import	36.56	22	59.79	3.36
		Export		0.13	0.51	580
Stock feed		Import	317.88	435.86	349.88	273.5
		Export				
Breeding Goats		Import	-	-	17.8	-
		Export				
Cattle weaners		Import	-	-	90	-
		Export				
Dairy products						
Cheese		Import	53.24	49.66	69.42	69.02
		Export				
Yoghurt		Import	7.06	22.44	39.72	13.73
		Export				
Full cream Milk		Import	45.66	180208.26	18 340.71	95 470.67
		Export	194	7.86	167.97	38.33
Powdered Milk for reconstitution		Import	159.61	298.75	259.38	125.69
		Export			1.5	
Others						
Onions		Import	1232.33	1.3	1011.4	380.8
		Export				
Potatoes seed		Import	125.17	26.2	72.69	102
		Export				
Potatoes		Import	249.16	451.82	430 717.60	633.73
		Export				
Rice		Import	899.98	1707.18	1497.67	606.096
		Export				
Fertilizer		Import	20358.53	28690.35	17205.35	21480.47
		Export				
Honey		Import	0.26	0.29	0	0.4
		Export				
Industrial Sugar		Import	128.1	10.25	46.75	794.97
		Export				
Household Sugar		Import	32.3	170.07	-	12.91
		Export	-	15058.67	26781.25	26101.36
Cotton cake		Import	-	-	-	-
		Exports	1548.24	1972.21	596.92	204
Cotton seed		Import	-	-	-	-
		Export	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