



THE WEEKLY AGRO WATCH



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15th September, 2014

Industry Updates

International Food Prices hit four year low

Generally, good weather in most of the major production areas has resulted in higher 2014 cereal projections. The ripple effect of this has been lowering food prices with the Food and Agricultural Organization (FAO) index hitting the lowest level ever since September 2010. The Food Price index for the month of August was pegged at 196.6 points, 7.3 percent below the previous month's index. FAO indicated that with the exception of meat, all prices dipped significantly. FAO has pegged the 2014 cereal output at 14 million tons with more optimistic wheat forecasts mostly behind the upward revision in its estimate.

Import Parity Prices

The following import parity prices were compiled by ZNFU as at 15th September, 2014.

Domestic Import Parity Prices as at 15/09/2014					
		US\$/ZAR=11.05	US\$/ZMK=6.15		
Parity Prices		U\$/ZMK	Maize	Soya	Wheat
Lusaka		6.15	344.19	673.89	531.28
Town	ZMK	\$	\$	\$	\$
Chipata	275	44.72	388.91	718.61	576.00
Mkushi	225	36.59	380.78	710.48	567.87
Ndola	250	40.65	384.84	714.54	571.93
Kitwe	250	40.65	384.84	714.54	571.93

Export Parity Prices (Harare Lusaka)

The following export parity prices were compiled by ZNFU as at 12th September, 2014.

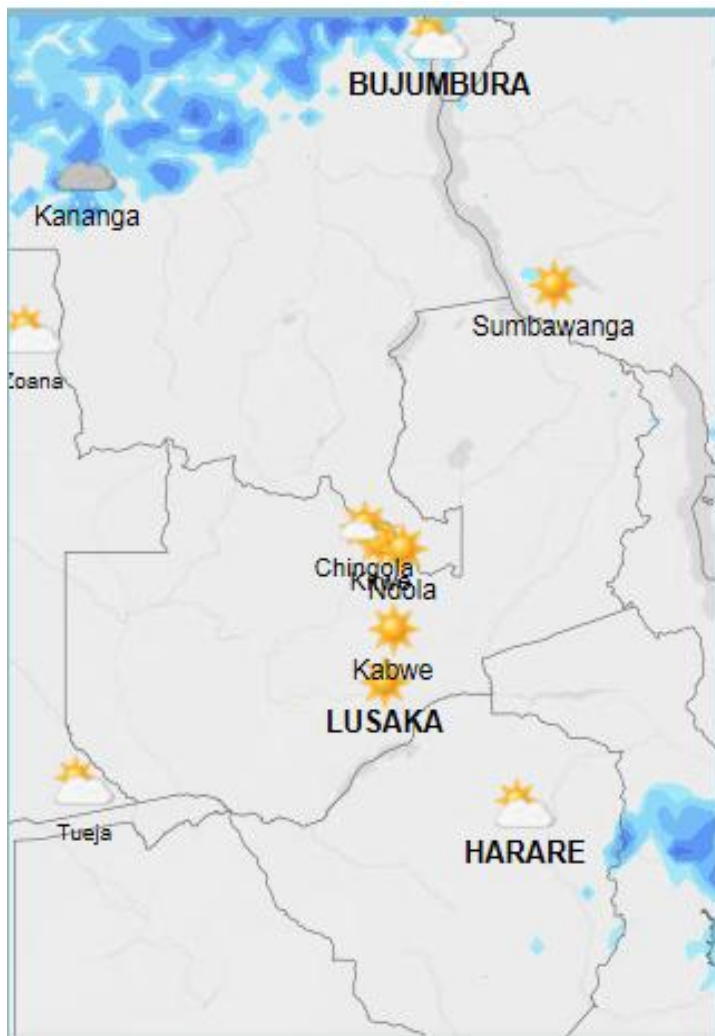
Export Parity Price (EPP) Harare-Lusaka	
Soya Beans	440.73
Wheat	360.64
Maize	313.95

Exchange Rates

CURRENCY	15/09/2014						08/09/2014 (BoZ- 05/09/14)					
	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)	6.10	6.23	0.56	0.57	9.91	10.12	6.01	6.13	0.56	0.58	9.72	9.92
Standard Chartered Bank	6.11	6.23	0.56	0.57	9.92	10.12	6.01	6.12	0.56	0.57	9.71	9.91
ZANACO	6.21	6.33	0.56	0.57	10.03	10.29	6.00	6.12	0.56	0.57	9.67	9.91
Bank of Zambia (BOZ)	6.18	6.20	0.561	0.563	10.03	10.07	6.05	6.07	0.57	0.58	9.86	9.89

Weather Update

The table summarizes the weather forecast for some selected towns for the period 16th to 21st September 2014.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Sunny clear skies to partly cloudy. ➤ Average Temperatures: 26-33°C. ➤ Light and gentle breeze with no precipitation throughout the week.
Mkushi	<ul style="list-style-type: none"> ➤ Clear sunny skies to partly cloudy throughout the week. ➤ Average Temperatures: 23-33°C ➤ Moderate, Light to gentle breeze with no precipitation throughout the week.
Kabwe	<ul style="list-style-type: none"> ➤ Clear sunny skies throughout the week. ➤ Average Temperatures: 24-34°C ➤ Moderate, light to gentle breeze with no precipitation throughout the week.
Lusaka	<ul style="list-style-type: none"> ➤ Clear sunny skies throughout the week ➤ Average Temperatures: 23-33°C ➤ Moderate, light to gentle breeze with no precipitation throughout the week.
Mazabuka	<ul style="list-style-type: none"> ➤ Clear sunny skies throughout the week. ➤ Average Temperatures: 26-35°C ➤ Moderate, light to gentle breeze with no precipitation throughout the week.
Choma	<ul style="list-style-type: none"> ➤ Clear to fair skies throughout the week. ➤ Average Temperatures: 23-33°C ➤ Moderate, light and gentle breeze with no precipitation throughout the week.

Source: Norway meteorological Institute

COMMODITY HIGHLIGHTS

Local Commodity Prices

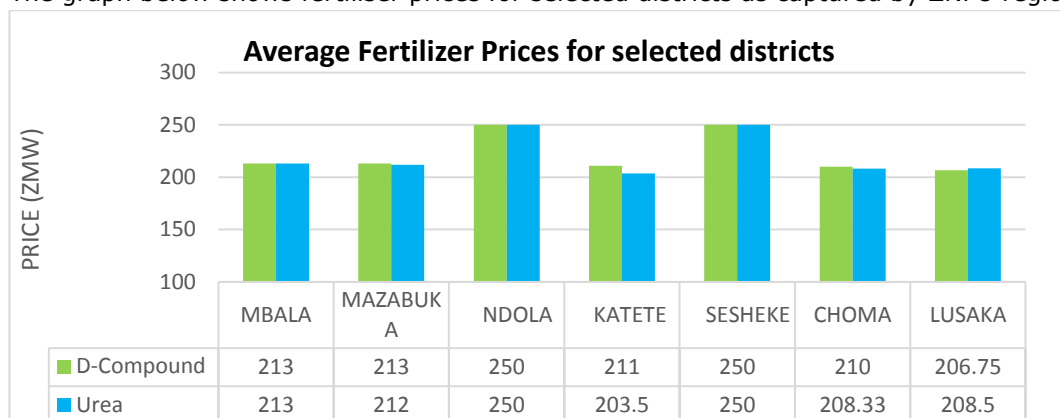
Grains

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

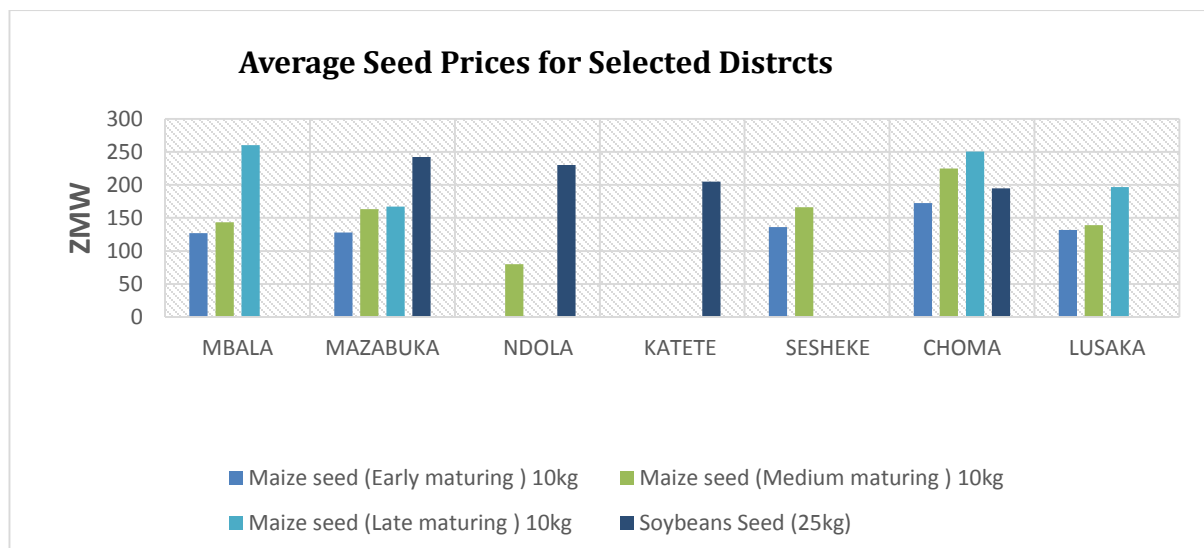
Exchange rate :USD 1= K6.17																		
Prices as at 12 th September, 2014/ per metric ton																		
	Mbala		Mansa		Lusaka		Mazabuka		Sesheke		Choma		Kabwe		Mkushi		Ndola/Kitwe	
	K	USD	K	USD	K	USD	K	USD	K	USD	K	USD	K	USD	K	USD	K	USD
White Maize	1000	162	1100	178	1380	224	1150	186	1100	178	1200	194	1200	194	1000	162	1100	178
Wheat		0		0	2780	451	2400	389		0	2400	389	2650	429		0		0
Soybeans	2000	324		0	2750	446	2500	405	2100	340	2400	389	2500	405	2000	324		0
Sunflower		0		0	2200	357	1000	162	1000	162	1150	186	1500	243		0		0

Fertilizer

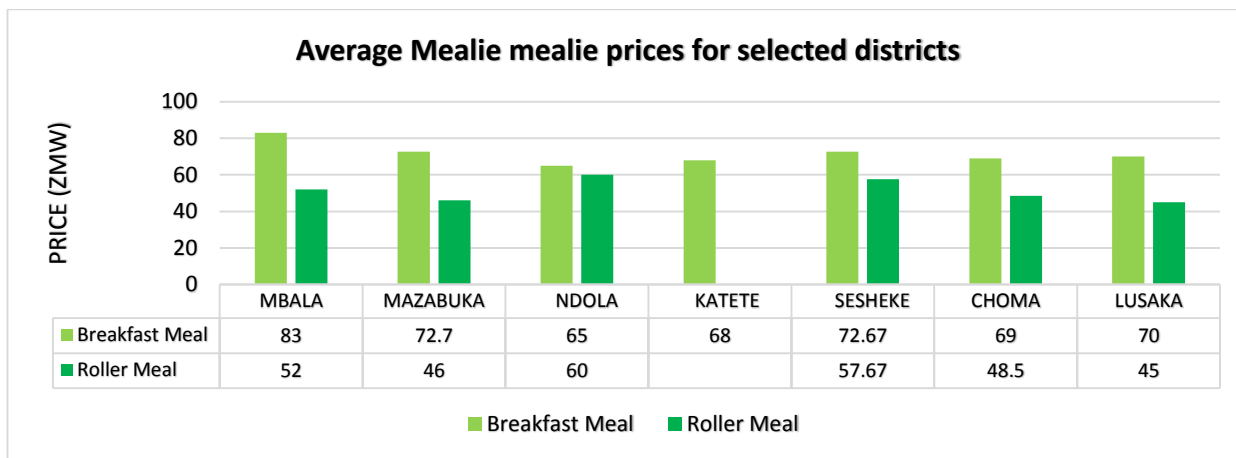
The graph below shows fertiliser prices for selected districts as captured by ZNFU regional offices.



Seed



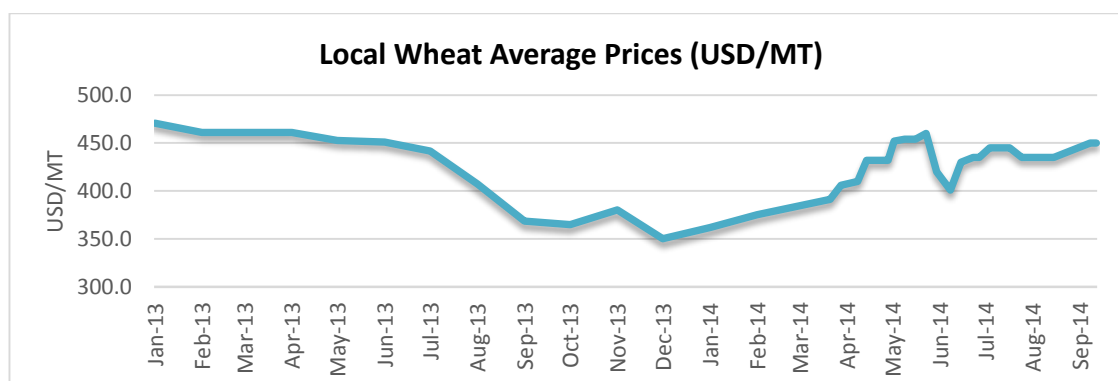
Mealie Meal



WHEAT

Highlights

- The Food and Agriculture Organisation of the UN in its latest cereal supply and demand brief upgraded by 9.3 million tonnes its estimate for global wheat production in 2014/15 to 716.5million tonnes. This compares with estimates for global wheat supplies in 2014/15 which also received a boost in the latest forecast by the USDA which revised global production higher by 3.9Million tonnes to a record 719.95Million tonnes.
- According to the USDA, the main driver behind the increased wheat production was an increase in EU wheat production (up 3.1Million tonnes to 150.97 Million tonnes) and Ukraine (up 2 Million tonnes to 24 Million tonnes).FAO also reported that the optimistic wheat forecast was mostly behind the revision in world cereal production which was hiked by 14million tonnes to reach 2.51 billion tonnes.
- In associated news, wheat prices dropped to their lowest since 2010 amid expectations that rising world output will cushion global reserves, wheat futures for delivery in December settled at US\$ 186/MT in Chicago on Friday morning 12th sept, 2014.
- Locally, wheat prices have been moving sideways and are pegged around US\$ 450/MT in Lusaka. The graph below shows wheat price trends ;

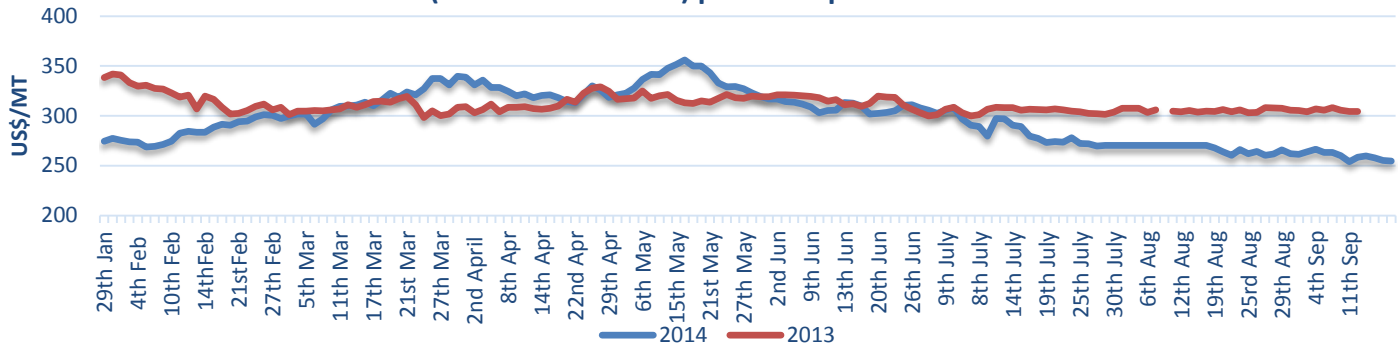


Source: ZNFU Market price information system

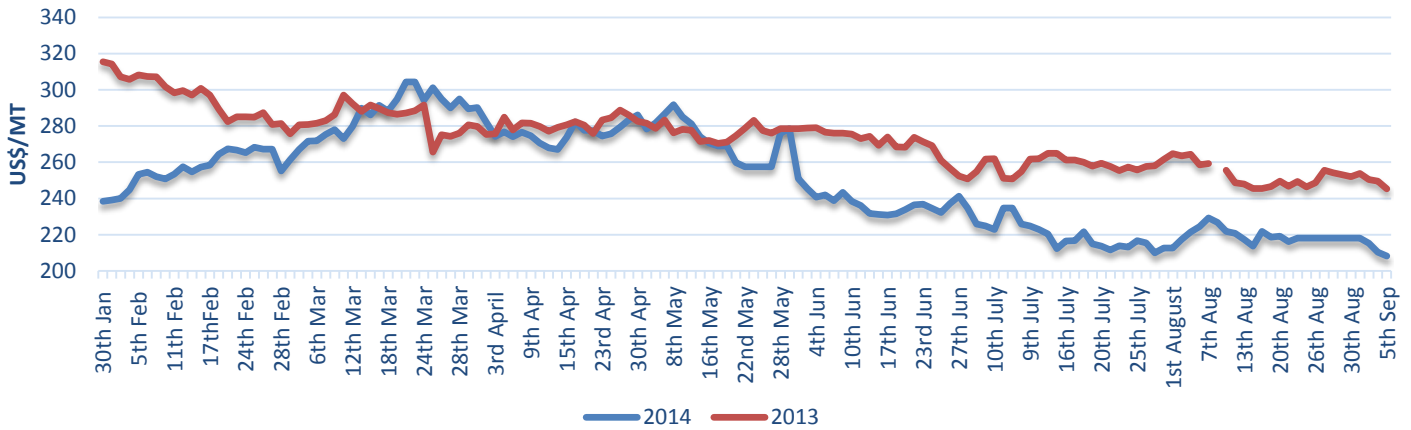
Price trends

The Safex international soft red and hard red average wheat prices for last week settled at US\$208.55/MT and US\$257.05/MT respectively, 3.45 and 1.62 percent below the average prices recorded in the previous week. All prices are fob gulf.

Wheat(US No 1 Hard Red) price comparison 2013&2014



Wheat (US No 2 Soft Red) Price Comparisons 2013&2014

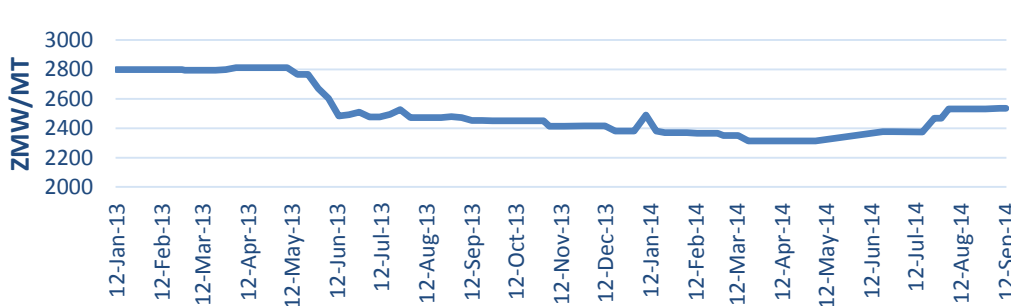


SOYA BEANS

Highlights

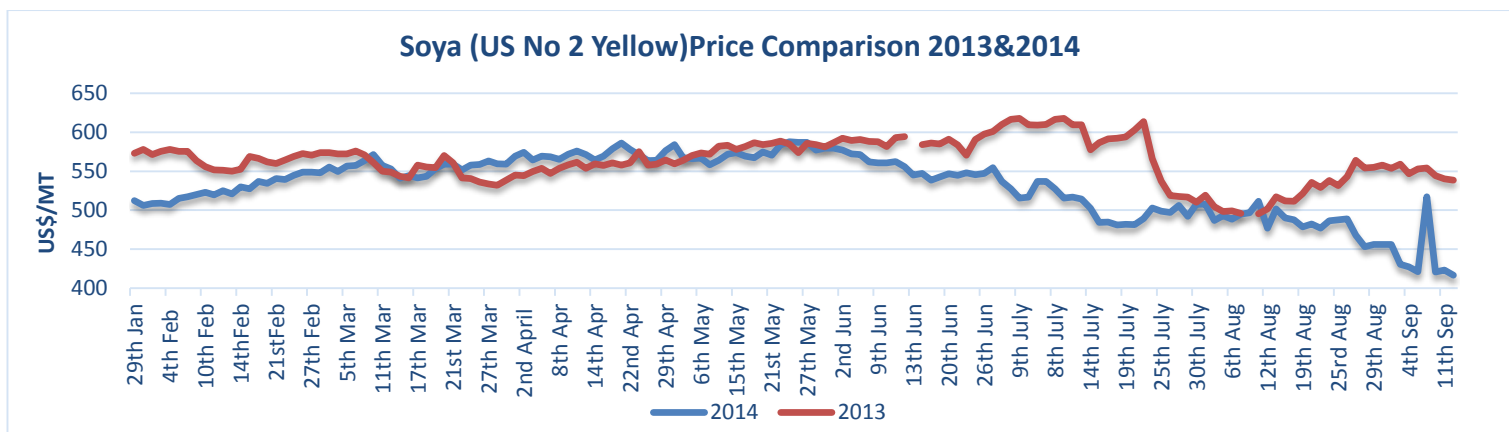
- 2014/15 Soybean production in China, the world's largest consumer, is forecast at a 22 year low as farmers switch to maize, Oil World said. The estimate is 11.7 million metric tons, down about 4 percent from last year. Oil world in its previous estimate had forecast 11.8 million tonnes. The 2013 estimate was raised to 12.2 million tons from 12 million tons.
- The USDA dramatically increased its 2014/15 forecast for world soybean production which now stands at 311.13Million tonnes, almost 6.5Million tonnes higher than the previous estimate. The main gains come from the US and Brazil, thanks to higher projected yields and expected planted area respectively.
- The Chicago soybeans futures price for delivery in November settled at US\$363/MT on Friday 12th Sept, 2014 morning.
- Locally, the national average price for soybeans as captured by the ZNFU 4455 price information system was pegged at K2.55/KG during the past week.

National Average Soybeans Prices



Price trends

Last week's average international price of US No. 2 yellow soya beans on Safex settled at US\$441.74/MT, 0.78 percent below the previous week's average of US\$445.20/MT. All prices are fob gulf.



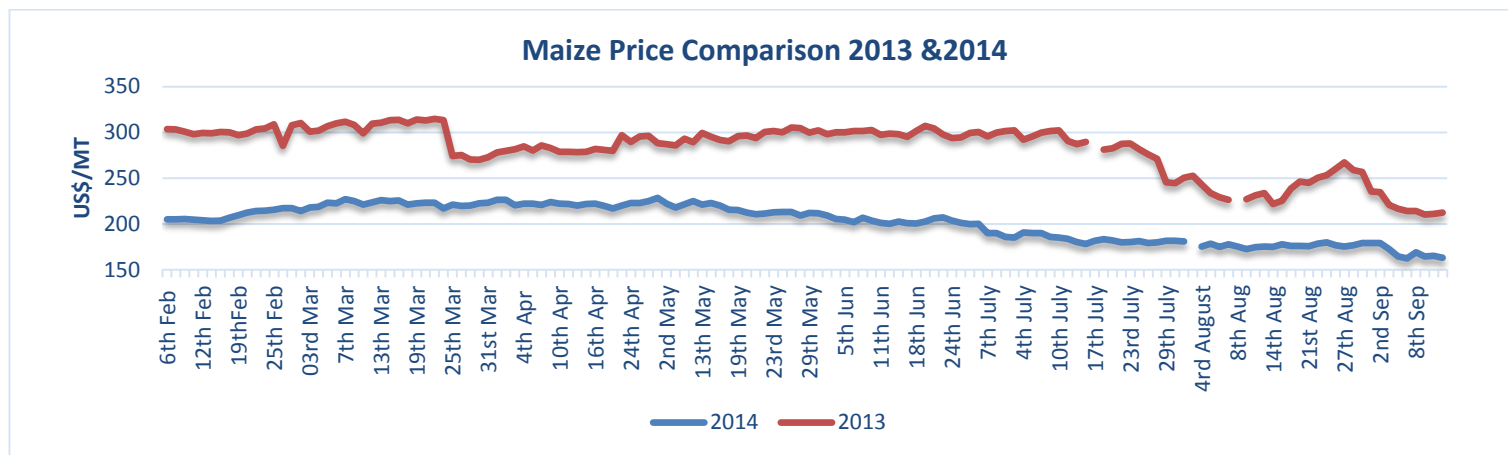
Maize

Highlights

- 2014/15 World maize output was increased by 2.1Mt to 987.52Mt. US production was raised by 9.2Mt (2.6%) to a record 365.7 Million tonnes, on the back of higher estimated yields. This was however offset, to a large extent, by a 5 Million tonnes reduction in Chinese output due to the recent drought in the country. For the EU, maize production was increased by 1.3 Million tonnes to 68.35 Million tonnes.
- The Chicago maize futures price for delivery in December was pegged US\$135/MT on Friday 12th sept, 2014.
- 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\$165.24/ton, 5.56 percent below the previous week's price of US\$174.97/ton. All prices are fob gulf.



COTTON

Highlights

- Australia's July cotton export reached unprecedented levels of 211,304 tons with China as the major export destinations. Other importers included South Korea, Bangladesh, Indonesia, Thailand, Vietnam and India. Meanwhile the generally unfavourable weather conditions are likely to bring down Australia's 2014/15 cotton output to 580,000 tons, 29 percent lower.
- According to Cotlook, Chinese cotton imports dropped by 80,000 tons between July and August to 200,000. This news with reports of some Chinese buyers cancelling their orders has aided in the suppression of cotton prices.
- 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.
- On 12th September 15:28hrs CAT, cotton prices on Cotlook were pegged at 75.855 cents/pound (≈US\$1.67/Kg).

- Cotton prices on the New York market ended trading on 4th September at US\$0.6545/pound (≈US\$1.44/Kg).



Source: cme

BEEF

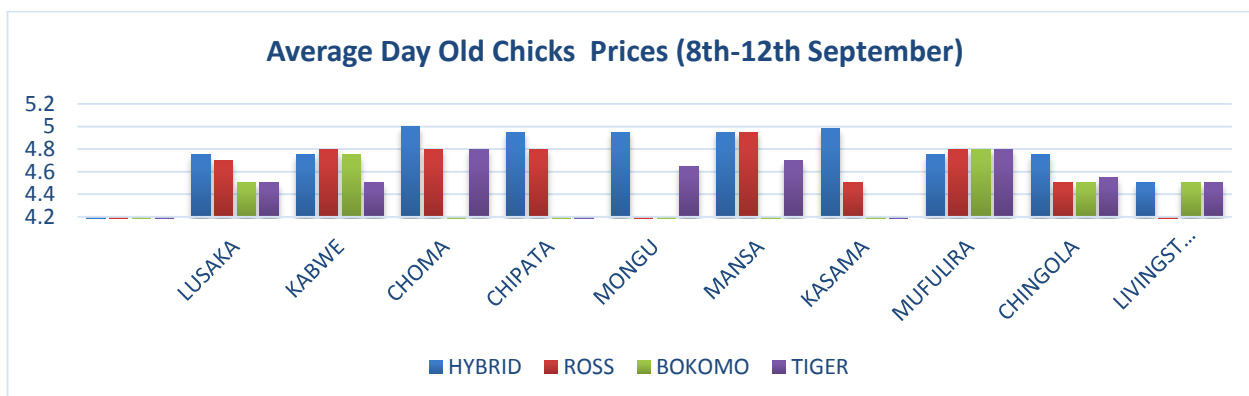
Highlights

- On the Namibian market, weaners and heifers were auctioning for about R18.12/Kg and R16.19/kg respectively as at 12th September 2014. Meanwhile Class A1 beef in abattoirs was going for about R31-33.97/Kg on 15th September 2014.
- Low demand has seen South Africa's beef prices come down with ABSA recording class A meat at R33.64/Kg and Class C meat at R26/Kg at 5th September 2014.
- Chicago Mercantile Exchange October 2014 delivery prices settled at 156.28 cents/pound (US\$ 3.43/kg) on 12th September.
- 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

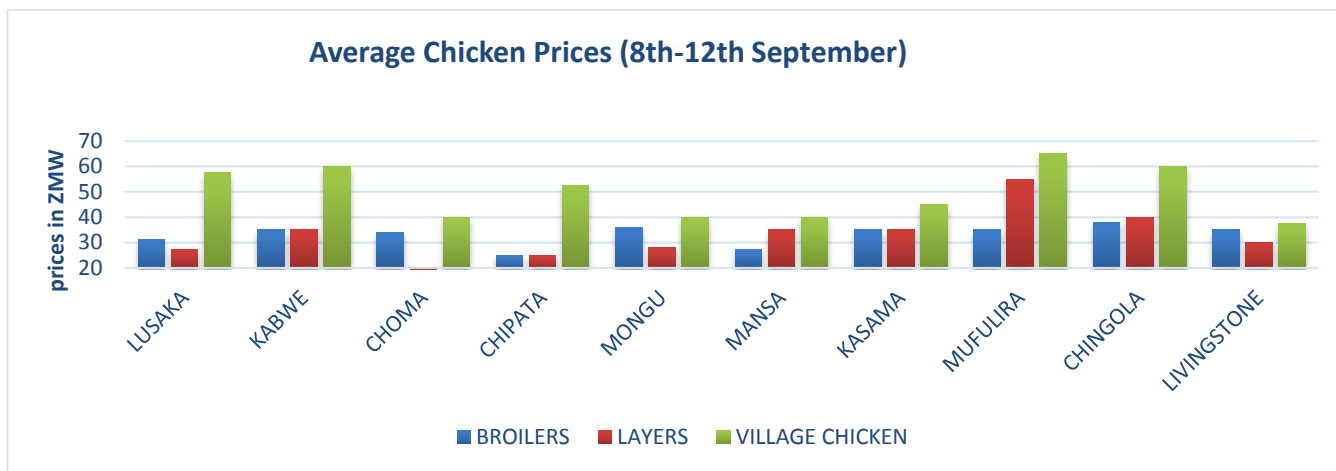
On the other hand Livingstone is posting lowest price for Hybrid day old chicks at ZMW4.5 per chick. It has to be noted that the price differential is due to distance from production area. Meanwhile supply of day old chicks remains very stable in the market and that all the hatcheries are geared to ensure smooth supply of day old chicks to meet the current and future demand. As the pick period approaches, all farmers are being encouraged to plan their schedules in advance to avoid panic and uncoordinated orders during the next few months.



AVERAGE LIVE BIRDS PRICES

The graph below shows the selected average live bird prices in selected towns in Zambia. Chipata is posting lowest price for broilers at ZMW25 which is a 16.67% reduction from the ZMW30 registered last week. The price reduction has been attributed to a flooded live bird market in Chipata. Therefore farmers have been forced to reduce their prices. However Chipata is also posting lowest price for village chickens at ZMW25 while Mufulira is posting the highest price for both village chickens and layers at ZMW65 and ZMW55 respectively. The reduction in village chicken can be attributed to a fall in the price of broilers in Chipata. The prices for village chicken in Lusaka going at an average price of ZMW57, Kabwe and Chingola are posting ZMW60 per village bird whilst Mufulira is posting the price of ZMW65 per live village chicken.

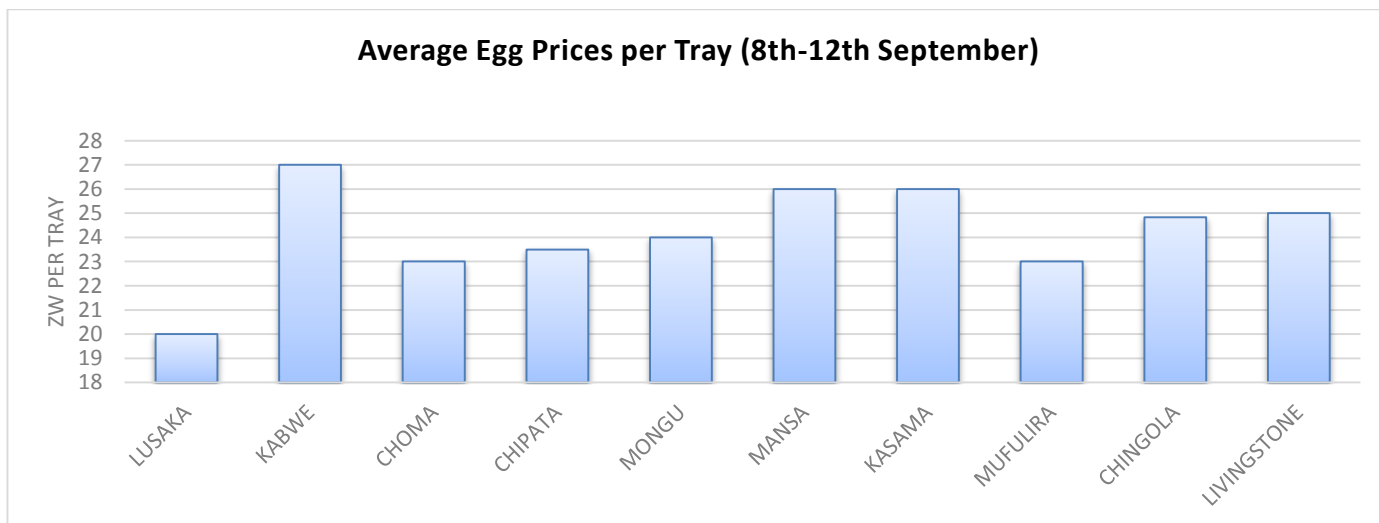
Mansa, Choma and Lusaka has registered reductions in the price of broilers from ZMW32.5 to ZMW27.5, ZMW34 to ZMW33.5 and ZMW32-ZMW31.17, representing 15%, 1% and 2.5% price reductions respectively.



Source: PAZ

AVERAGE EGG PRICES

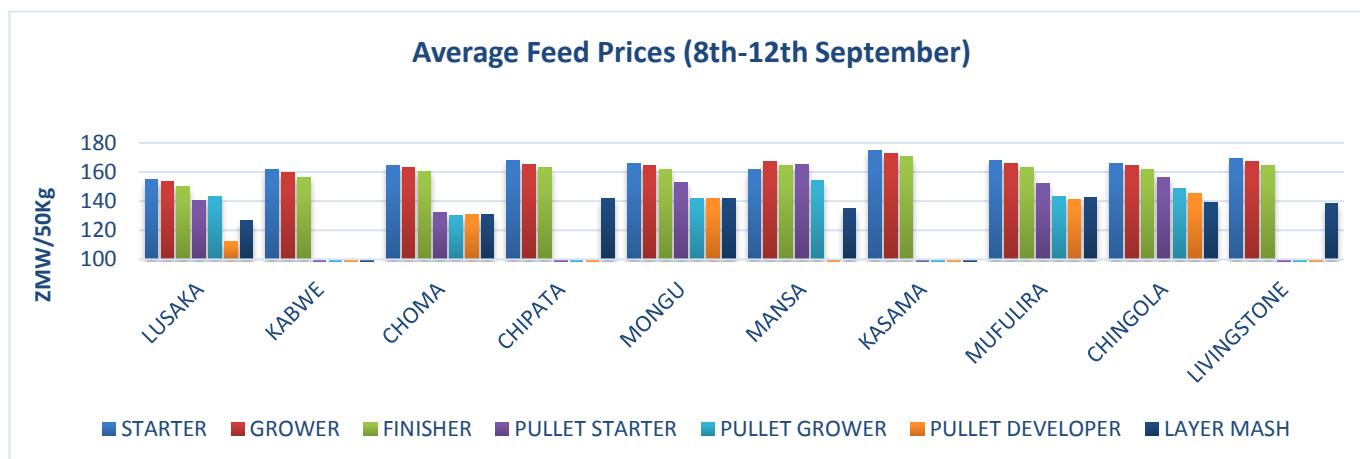
The table below shows average prices of eggs in selected provincial centres around the country. The price of eggs per tray has remained relatively static in most towns with Kabwe posting the highest price at ZMW27 which is an upswing from the ZMW23 charged for a tray of eggs last week, representing a 14.81% increase. This may be due to a reduction in supply of eggs in the town. Lusaka has maintained lowest prices at ZMW20 tray of eggs. The average price of a tray of eggs in Choma has risen from ZMW22 to ZMW23 representing a 4.5% increase while Chipata has experienced a reduction from ZMW26.5 to ZMW 23.5 representing 11% price reduction. The cost of a tray of eggs in Mongu, Mansa, Kasama, Mufulira, Chingola, and Livingstone is ZMW24, 26, 26, 23, 24.83 and 25 respectively.



Source: PAZ

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 and Kasama while only layer mash prices were captured in Chipata and Livingstone.



Source: PAZ

AVERAGE WHOLE DRESSED CHICKEN PRICES

The average prices for the whole frozen dressed chicken in three chains stores in Lusaka have remained static during the course of the week with Shoprite posting the lowest prices in comparison to Spar and Pick n' Pay. The average price of frozen whole dressed chicken in Shoprite was ZMW17.72/Kg with the lowest priced going for ZMW15.49 /Kg and the highest priced going for ZMW19.90/Kg. The lowest priced chicken in Spar was 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 was ZMW17.75/kg, with the lowest and highest priced chicken at ZMW17.50/Kg and ZMW17.99/Kg respectively.



Source: PAZ

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
crude 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
