



THE WEEKLY AGRO WATCH



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22nd September, 2014

Industry Updates

PRELIMINARY 2014 WHEAT ESTIMATES ANNOUNCED

The 2014 wheat production has been forecast at 294,283.8 metric tons. The total area under wheat for the 2013/14 season has been estimated at 41,417.8 hectares with indication that 2, 662 hectares of wheat is stressed. The 2014 wheat production was estimated through the use of remote sensing technology with satellite images captured over a period of 3 months so as to monitor the growth and progression of the wheat crop. ZNFU will however determine the final production estimates once the farmers have finished harvesting their crop. Meanwhile, ZNFU has estimated the 2013/14 maize output at 3.162 million ton and the total population of cattle reared by small and medium scale farmers at 2.99 million.

MONGU RECORDS AN INCREASE IN CHICKEN DEMAND

Surging price for beef products in Mongu district are driving up the demand for chicken, as it is the cheapest source of animal protein on the market. A kilogram of beef, which was being sold for ZMW25 two weeks ago in the district, is now going for ZMW30 leaving consumers with no choice but to revert to poultry meat. Farmers have also taken advantage of the rising demand for chicken and charge a minimum of ZMW35 and a maximum of ZMW37 for a live broiler bird.

Import Parity Prices

The following import parity prices were compiled by ZNFU as at 19th September, 2014.

Domestic Import Parity Prices as at 19/09/2014					
US\$/ZAR=11.14 US\$/ZMK=6.13					
Parity Prices		U\$/ZMK	Maize	Soya	Wheat
Lusaka		6.13	373.89	666.05	401.43
Town	ZMK	\$	\$	\$	\$
Chipata	275	44.86	418.75	710.91	446.29
Mkushi	225	36.70	410.59	702.75	438.13
Ndola	250	40.78	414.67	706.83	442.21
Kitwe	250	40.78	414.67	706.83	442.21

Export Parity Prices (Harare Lusaka)

The following export parity prices were compiled by ZNFU as at 19th September, 2014.

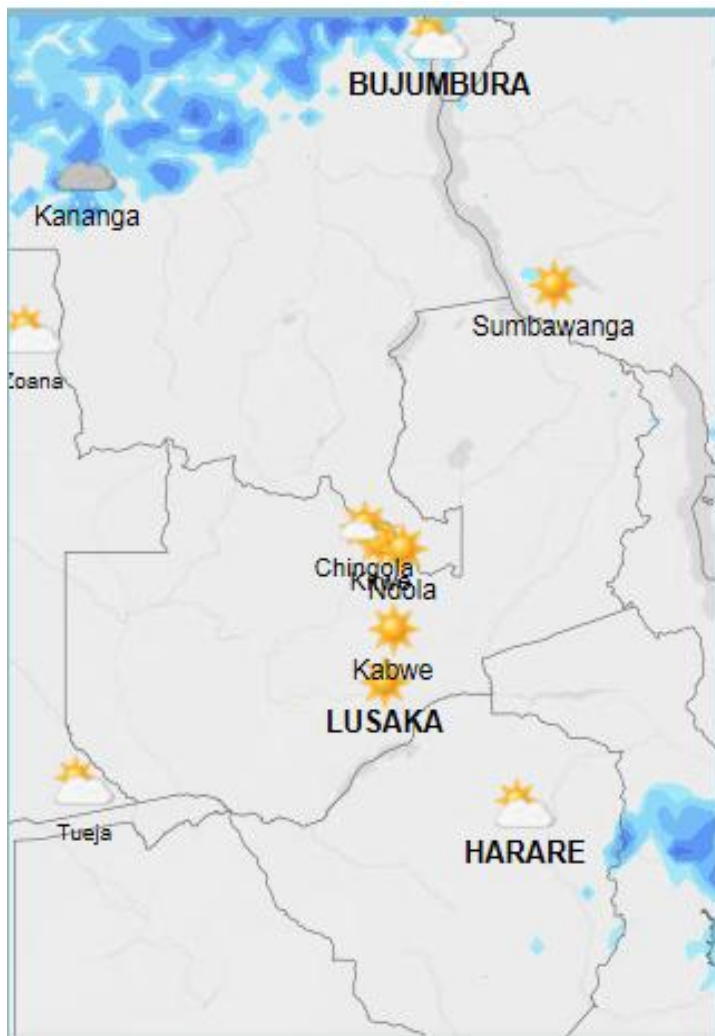
Export Parity Price (EPP)Harare-Lusaka	
Soya Beans	432.02
Wheat	360.64
Maize	308.13

Exchange Rates

CURRENCY	22/09/2014						15/09/2014					
	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)	6.14	6.26	0.56	0.57	10.03	10.23	6.10	6.23	0.56	0.57	9.91	10.12
Standard Chartered Bank	6.14	6.26	0.56	0.57	10.03	10.22	6.11	6.23	0.56	0.57	9.92	10.12
ZANACO	6.13	6.25	0.55	0.57	9.97	10.23	6.21	6.33	0.56	0.57	10.03	10.29
Bank of Zambia (BOZ)	6.18	6.20	0.556	0.558	10.09	10.13	6.18	6.20	0.561	0.563	10.03	10.07

Weather Update

The table summarizes the weather forecast for some selected towns for the period 23rd to 28th September 2014.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Clear, fair to partly cloudy skies. ➤ Average Temperatures: 26-32°C. ➤ Light to gentle breeze with no precipitation throughout the week.
Mkushi	<ul style="list-style-type: none"> ➤ Fair to clear skies throughout the week. ➤ Average Temperatures: 25-32°C ➤ Light to gentle breeze with no precipitation throughout the week.
Kabwe	<ul style="list-style-type: none"> ➤ Fair to clear sunny skies throughout the week. ➤ Average Temperatures: 25-32°C ➤ Moderate, light to gentle breeze with no precipitation throughout the week.
Lusaka	<ul style="list-style-type: none"> ➤ Fair, partly cloudy to clear skies throughout the week ➤ Average Temperatures: 26-34°C ➤ Moderate, light to gentle breeze with no precipitation throughout the week.
Mazabuka	<ul style="list-style-type: none"> ➤ Fair to clear sunny skies throughout the week. ➤ Average Temperatures: 26-34°C ➤ Gentle to light to breeze with no precipitation throughout the week.
Choma	<ul style="list-style-type: none"> ➤ Clear sunny skies throughout the week. ➤ Average Temperatures: 24-31°C ➤ Moderate to gentle breeze with no precipitation throughout the week.

Source: Norway meteorological Institute

COMMODITY HIGHLIGHTS

Local Commodity Prices

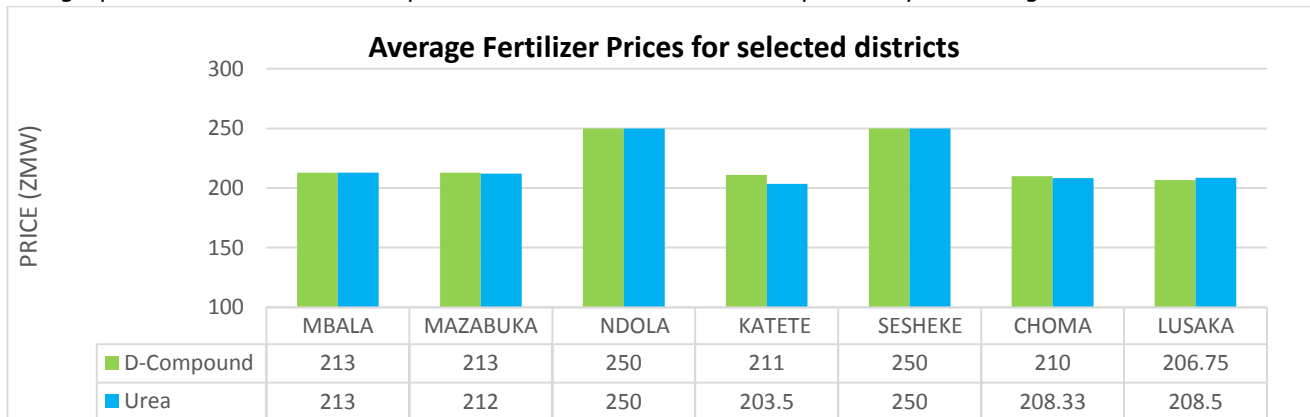
Grains

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 22nd 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

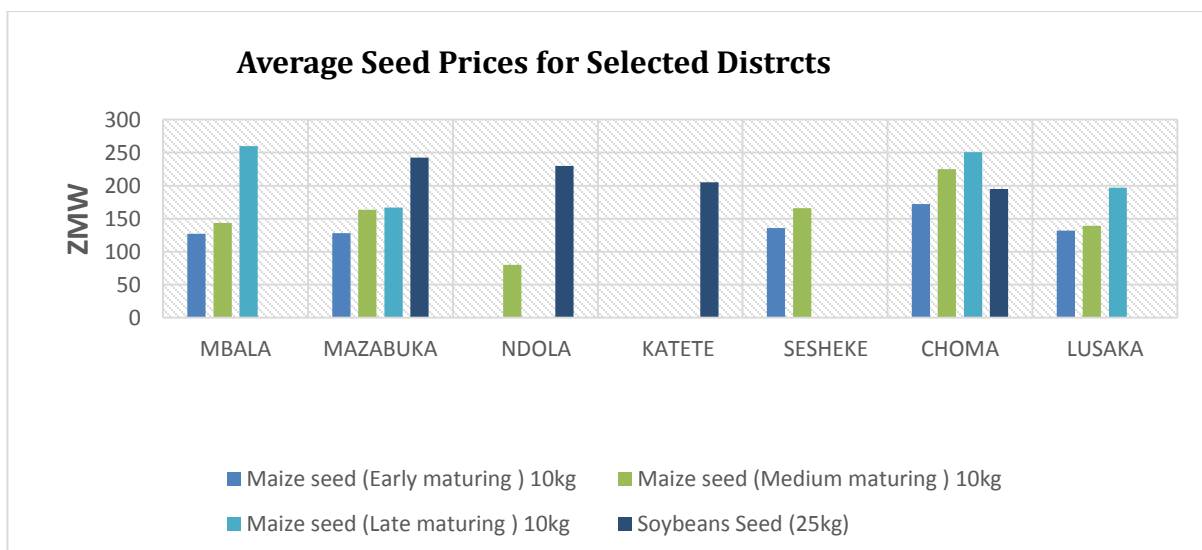
Fertilizer

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



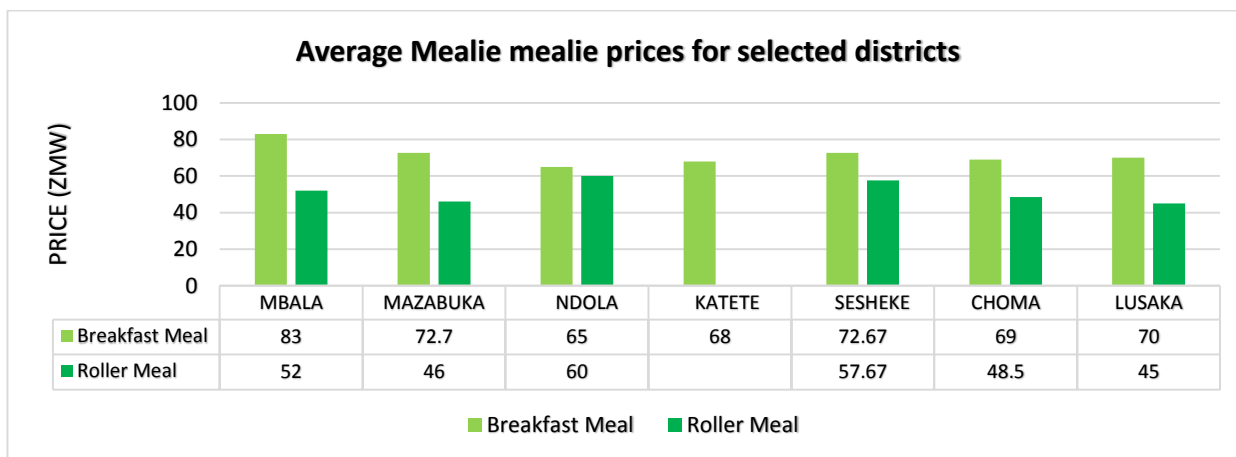
Source: ZNFU Regional Offices

Seed



Source: ZNFU Regional Offices

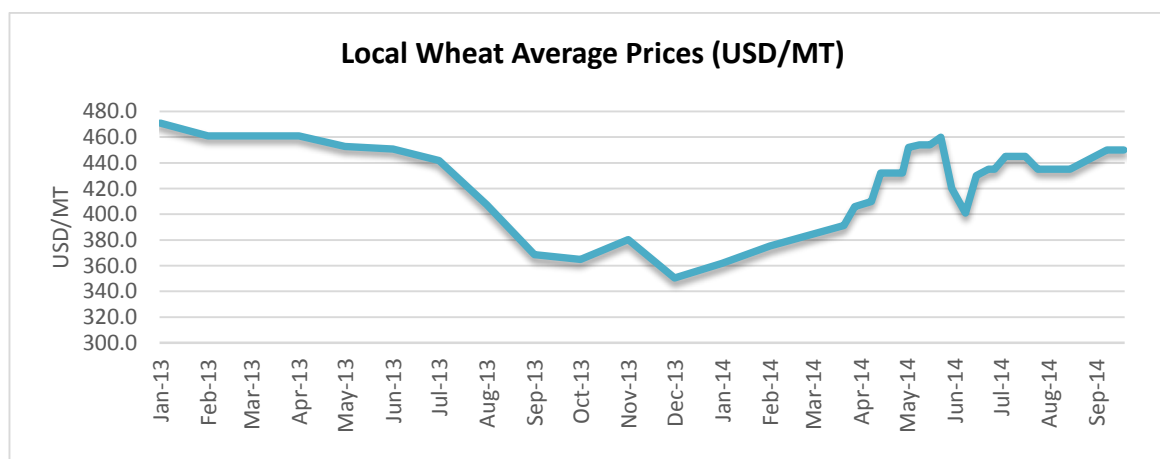
Mealie Meal



Source: ZNFU Regional Offices

WHEAT Highlights

- The Australian government says World Wheat Prices are set to drop more than estimated as bigger harvests in Europe and the Black Sea region boost supply and swelling output of other crops curbs use in feed reports Bloomberg. Hard-red winter wheat, may average \$285/MT at U.S. Gulf ports in the year that started July 1, below the June forecast of US\$4300 and the 2013/14 average of US\$317 per ton according to the Australian Bureau of Agricultural and Resource Economics and Sciences.
- China is reported to be cutting down on wheat irrigation in regions like Hebei province with water shortages. Bloomberg reports that Hebei province, the nation's third-biggest wheat grower, will cut wheat irrigation by 50,667 hectares (2 percent).
- Wheat prices for delivery in December Chicago settled US\$176/MT on Friday, 19th sept, 2014 mid-morning
- North Dakota Wheat Farmers Worried are facing the prospect of grain elevators not accepting their crops as a cool and wet summer has led to sprouting and crop diseases.
- The dollar price of wheat delivered in Lusaka continues to move sideways with slight gains posted in kwacha terms as the local unit registered some gains against the dollar. Wheat prices were pegged around US\$ 450/MT last week. The graph below shows wheat price trends:

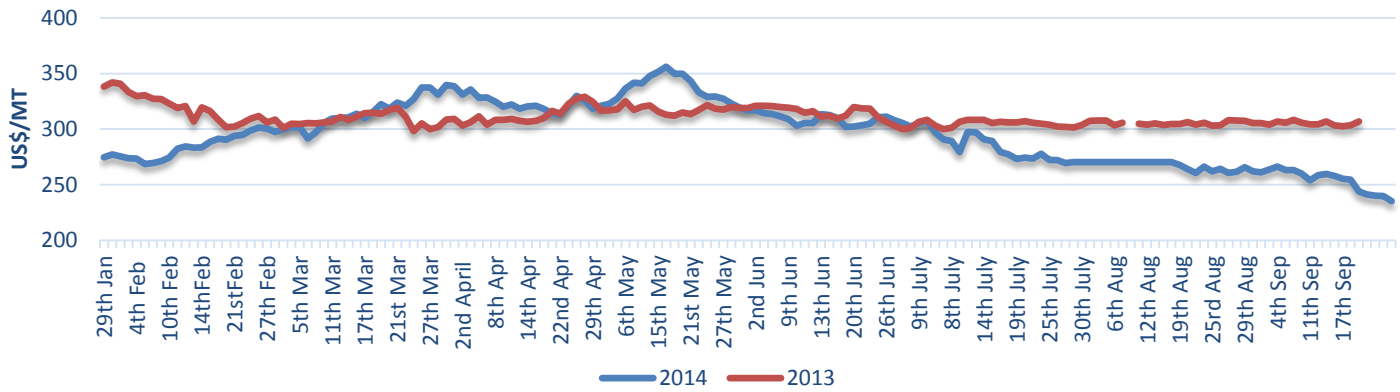


Source: ZNFU Market price information system

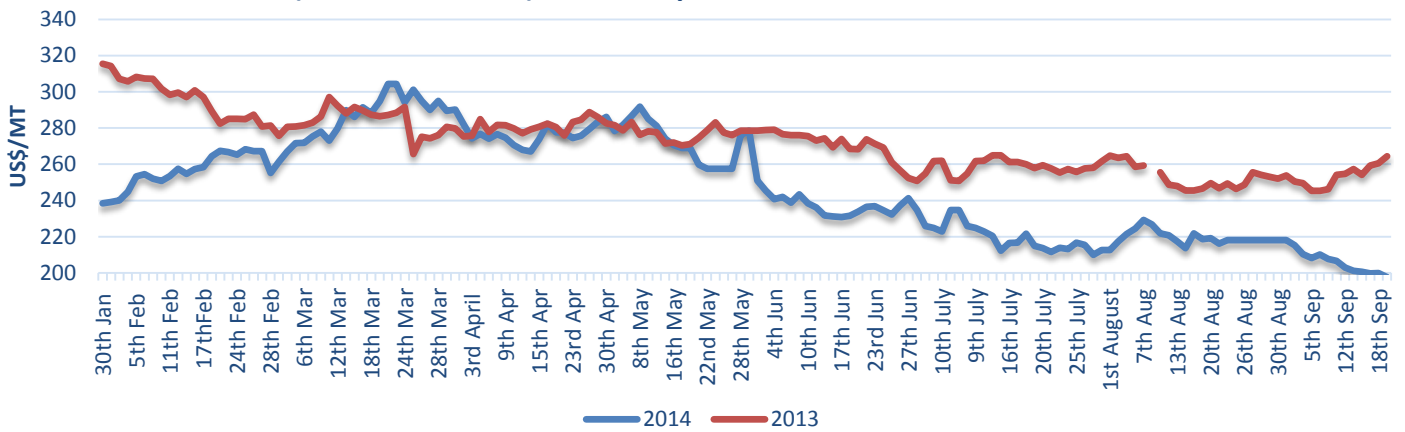
Price trends

The Saxef international soft red and hard red average wheat prices for last week settled at US\$200.86/MT and US\$243.97/MT respectively, 3.69 and 5.09 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

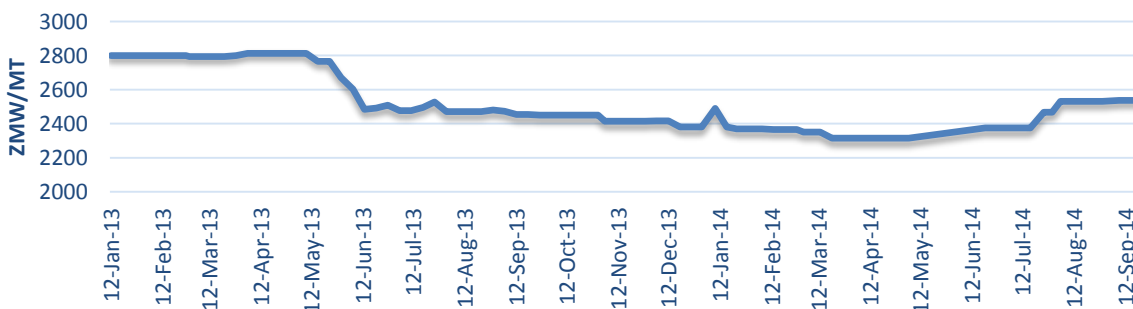


SOYA BEANS

Highlights

- Soy markets again started the week on a low note with Chicago soybean futures sliding to contract lows on Monday on expectations of all-time high production in the United States continuing to drive prices lower.
- Soybeans prices for delivery in November in Chicago settled at US\$346/MT on the morning of 22nd September.
- The local price for soybeans has remained steady with the highest price offer for the commodity on the market 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:

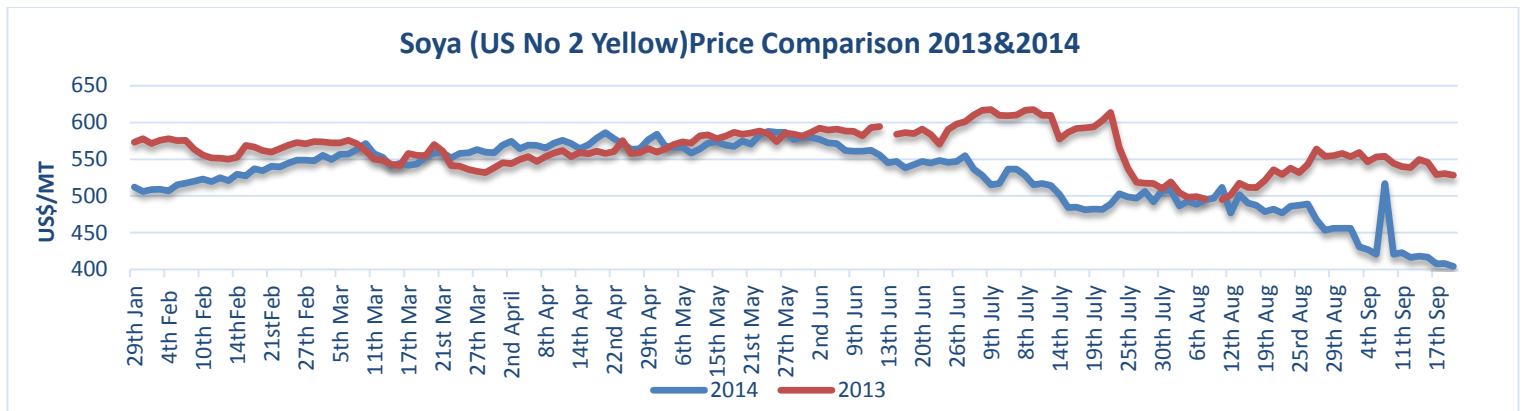
National Average Soybeans Prices



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\$413.54/MT, 6.38 percent below the previous week's average of US\$441.74/MT. all prices are fob gulf.



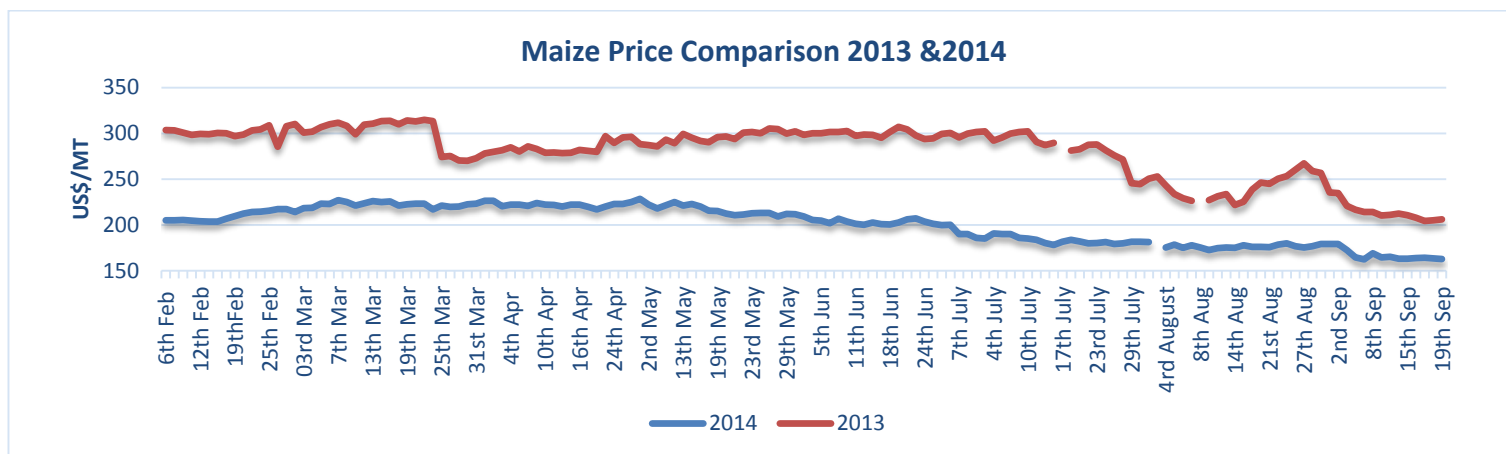
Maize

Highlights

- Kenya's maize bumper harvest for the 2013/14 season has pushed down maize prices on the local market by 16.4 per cent in the last one month, making Kenya one of the cheapest sources of the cereal in East Africa.
- The Chicago maize futures price for delivery in December was pegged at US\$132/MT on Friday, 19th sept, 2014 mid-morning.
- Locally, Maize prices have come under pressure as farmer's frantically look for market to sell their crop especially now that FRA, the biggest buyer reached its statutory purchases for the season. An average maize price of K1.369/Kg was recorded during the previous week on the ZNFU 4455 price information system.

Price trends

The average international price on Safex price of US No. 2 Yellow maize for last week settled at US\$163.63/ton, 0.98 percent below the previous week's price of US\$165.24/ton. All prices are fob gulf.



COTTON

Highlights

- Brazil's 2014/15 cotton plantings are down by 11 percent, on a year-to-year comparison, to 1 million hectares due to low local market prices.
- The anticipated low Chinese demand of cotton may affect the profit margin of the large cotton exporting countries such as China. It is rumoured that China may link a large amount of cotton import quotas to domestic purchases.
- On 13th September 15:28hrs CAT, cotton prices on Cotlook were pegged at 73.50 cents/pound (\approx US\$1.62/Kg).

BEEF

Highlights

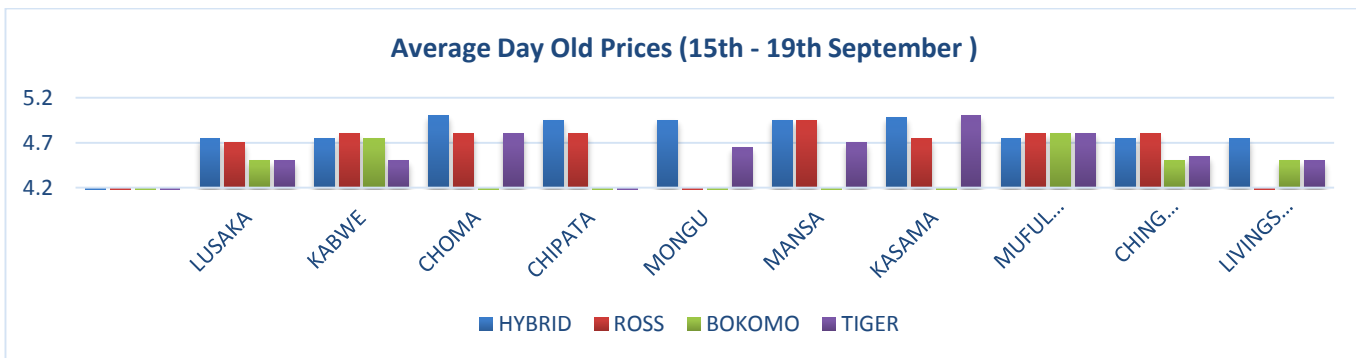
- On the Namibian market, weaners and heifers were auctioning for about R17.53/Kg and R15.91/kg respectively as at 19th September 2014. Meanwhile Class A1 beef in abattoirs was going for about R31-33.97/Kg on 22nd September 2014.
- According to the South Africa Feedlot Association, grain fed beef carcass cost ZAR34.32/Kg while live animal cost ZAR20.16/Kg on average in the week ending 7th September 2014.
- Chicago Mercantile Exchange October 2014 delivery prices settled at 158.97 cents/pound (US\$ 3.50/kg) on 22nd September 2014.
- Local beef prices have edged upwards and were trading in the range of ZMK14-26.5/kg, dressed weight, in the week ending 20th September 2014.



POULTRY

AVERAGE DAY OLD CHICK PRICES

The graph below shows average prices of day old chicks for selected towns. The supply and price of day old chicks has been stable during the past month. In the previous week, Kasama posted the highest price for tiger chicks at ZMW5 while Choma posted the highest price for hybrid day old chicks at ZMW5. Mufulira is posting highest price for Bokomo day old chicks at ZMW4.8 while the rest of the towns are charging ZMW4.5 for the Bokomo day old chick.

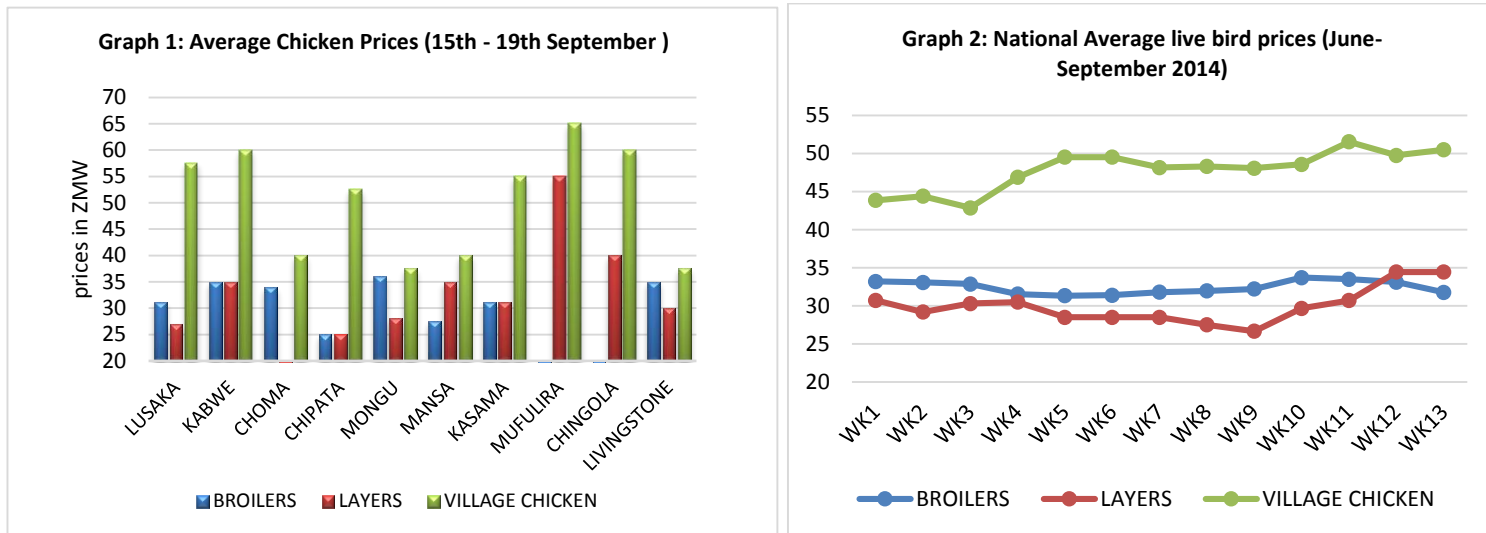


Source: Poultry Association of Zambia

AVERAGE LIVE BIRDS PRICES

The graph1 below shows the average live bird prices for selected districts. Mufulira posted the highest price for layers and village chickens at ZMW55 and ZMW65 respectively. On the other hand Chipata posted the lowest price for layers and broilers at ZMW25 respectively. Low prices in Chipata have been attributed to high supply of chickens in the district. Kasama has experienced a price reduction in the average price of broiler live birds from ZMW 35 to ZMW31 representing an 11% price reduction and a 22% increase in the average price of village chickens. Mongu experienced a 6.25% reduction in the price of village chickens for the previous week. Prices in the rest of the towns have remained static during the course of the week.

Graph 2 shows the national average price trends for broilers, layers and village chickens. It can be noted that the price of village chicken has been higher than other birds in the last three months. The price differences between the layers and the broilers have not been significant although the broilers posted higher price from June to the first week of September 2014.

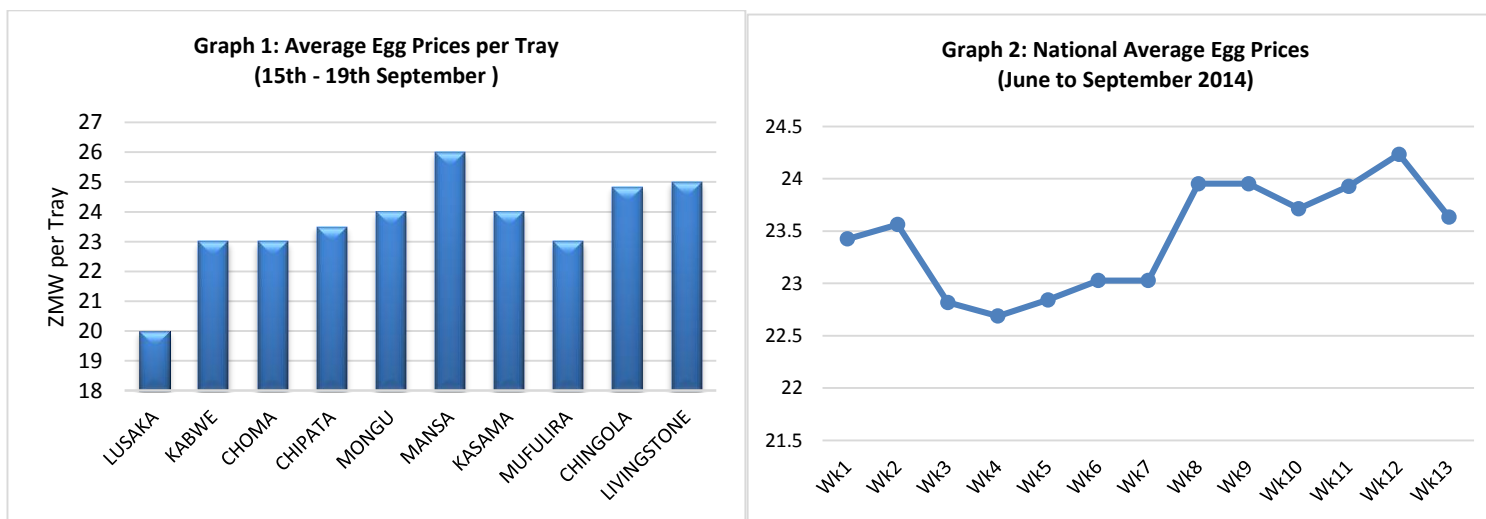


Source: Poultry Association of Zambia

AVERAGE EGG PRICES

Graph1 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 Kabwe and Kasama where the price has reduced from ZMW27 to ZMW23 and from ZMW26 to ZMW24 representing 14.8% and 7.7% price reduction respectively. Mansa is posting the highest price for a tray of eggs at an average of ZMW26 while Lusaka is posting the lowest price at an average of ZMW20 per tray of eggs.

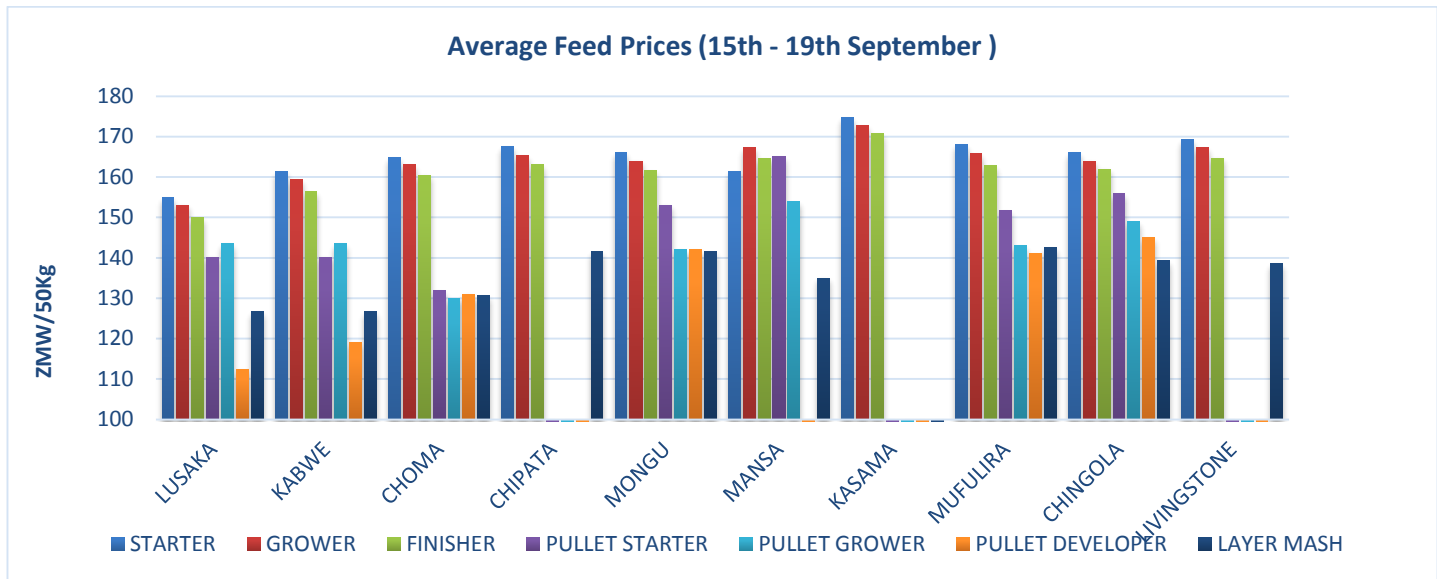
Graph 2 shows the price trend for eggs over a period of three months from mid-June to September 2014. The lowest price was recorded in week 4 with a tray selling at an average of ZMW22.68 and the highest was ZMW 23.23 recorded in week 12. Temperature and supply have a great influence on the prices of eggs on the market. The fluctuations in temperatures during the month of August could have had a greater impact in the supply of eggs and ultimately affected the prices. It is likely that in the coming few weeks, the price of a tray of eggs will reduce as the weather warms up.



Source: Poultry Association of Zambia

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.

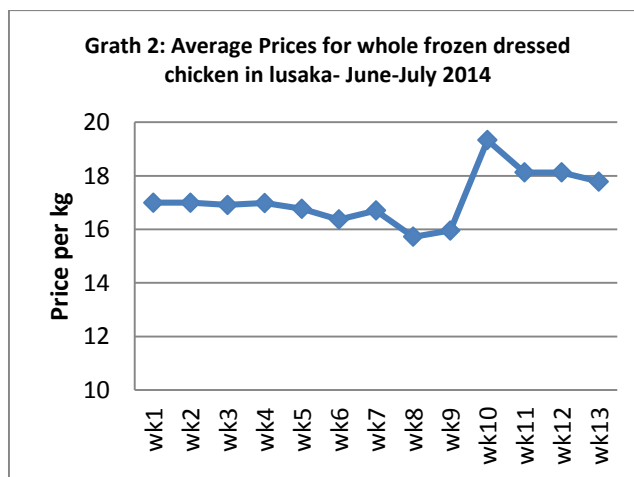
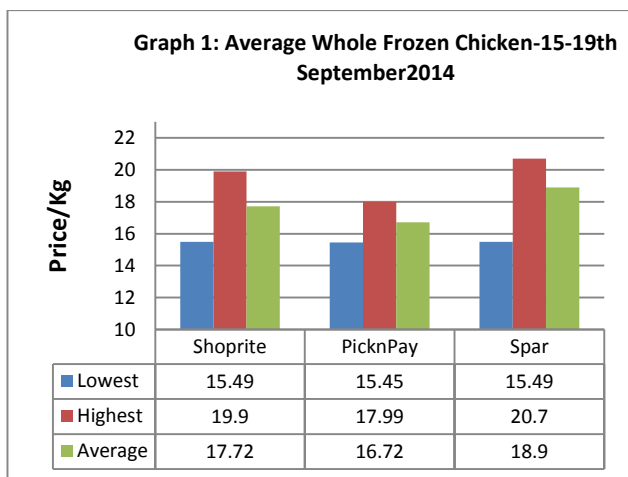


Source: Poultry Association of Zambia

AVERAGE WHOLE DRESSED CHICKEN PRICES

The graph1 below shows average prices of whole frozen chickens in the three chain stores around in Lusaka. Prices have remained stable in the stores except for Pick n' Pay where the average price has dropped by 5.8% from ZMW17.75 to ZMW16.72 /Kg with the lowest priced going for ZMW15.45 /Kg and the highest priced going for ZMW17.99/Kg. Spar has the highest price among the three chain stores at ZMW18.9 with the lowest priced chicken going for ZMW15.49 per Kg and the highest priced is going at ZMW20.70 per Kg. The average price of whole frozen chicken in Shoprite is ZMW17.72/kg, with the lowest and highest priced chicken at ZMW15.49/Kg and ZMW19.90/Kg respectively.

Graph 2 shows the price trend for whole frozen dressed chicken over the past three months. The average price moved from a ZMW16.99 in June 2014 week 1 to a low value of ZMW 15.72 in July 2014 fourth week, a high value of ZMW18.12 was recorded august third week and is at an average of ZMW17.78 in second week of September captured as week 13.



Source: Poultry Association of Zambia

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