



THE WEEKLY AGRO WATCH



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30th September, 2014

Industry Updates

August 2014 records Trade Surplus

Zambia recorded a trade surplus valued at K 98.4 Million in August 2014 from K 113.0 Million recorded in July 2014. This means that the country exported more in August 2014 than it imported in nominal terms. The highest trade surplus valued at K 295.4 Million was recorded in January 2014 and the lowest was a trade Surplus in April 2014, valued at K 29.5 Million.

Source: CSO

Import Parity Prices

The following import parity prices were compiled by ZNFU as at 30th September, 2014.

Domestic Import Parity Prices as at 30/09/2014					
		US\$/ZAR=11.29		US\$/ZMK=6.27	
Parity Prices		U\$/ZMK	Maize	Soya	Wheat
Lusaka		6.27	380.76	657.64	402
Town	ZMK	\$	\$	\$	\$
Chipata	275	43.86	424.62	701.50	445.86
Mkushi	225	35.89	416.65	693.53	437.89
Ndola	250	39.87	420.63	697.51	441.87
Kitwe	250	39.87	420.63	697.51	441.87

Export Parity Prices (Harare Lusaka)

The following export parity prices were compiled by ZNFU as at 30th September, 2014.

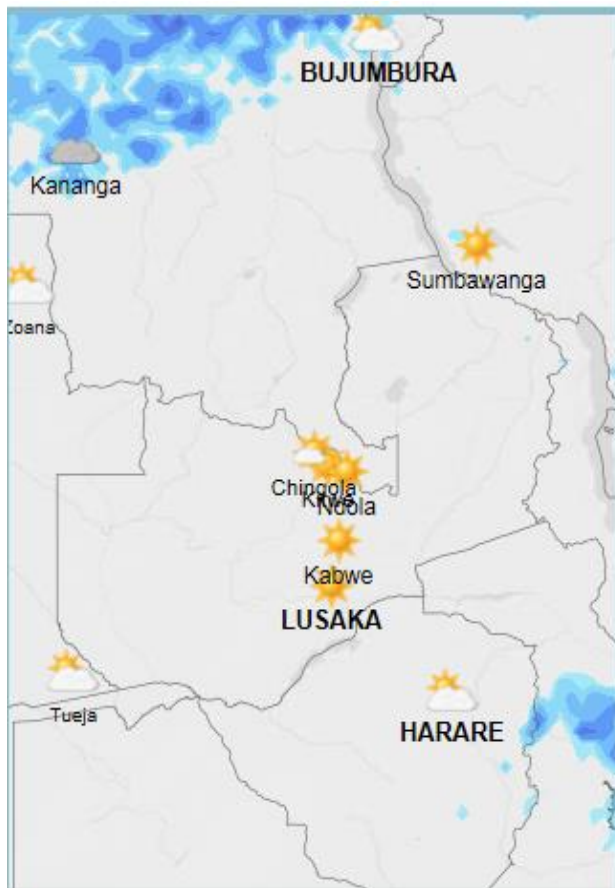
Export Parity Price (EPP) Harare-Lusaka	
	USD/MT
Soya Beans	440.74
Wheat	360.64
Maize	313.95

Exchange Rates

CURRENCY	30/09/2014						22/09/2014					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Buying	Selling	Buying	Selling	Buying	Selling	Buying	Selling	Buying	Selling	Buying	Selling
First	6.2	6.33	0.56	0.58	10.1	10.3	6.14	6.26	0.56	0.57	10.03	10.23
Standard	6.21	6.33	0.56	0.57	10.09	10.29	6.14	6.26	0.56	0.57	10.03	10.22
ZANACO	6.19	6.32	0.55	0.56	10.02	10.28	6.13	6.25	0.55	0.57	9.97	10.23
Bank of	6.2465	6.2665	0.5534	0.5554	10.1493	10.183	6.18	6.2	0.556	0.558	10.09	10.13

Weather Update

The table summarizes the weather forecast for some selected towns for the period 1st October to 6th October 2014.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> Fair, partly cloudy to clear skies. Average Temperatures: 29-33°C. Light, moderate to gentle breeze with no precipitation throughout the week.
Mkushi	<ul style="list-style-type: none"> Clear, partly cloudy to fair skies throughout the week. Average Temperatures: 26-33°C Light, gentle to moderate breeze with no precipitation throughout the week.
Kabwe	<ul style="list-style-type: none"> Clear to partly cloudy skies throughout the week. Average Temperatures: 26-33°C Light, moderate to gentle breeze with no precipitation throughout the week.
Lusaka	<ul style="list-style-type: none"> Clear, cloudy, partly cloudy to fair skies throughout the week Average Temperatures: 25-32°C Gentle, moderate to light gentle breeze with no precipitation throughout the week.
Mazabuka	<ul style="list-style-type: none"> Fair, partly cloudy to clear sunny skies throughout the week. Average Temperatures: 28-34°C Light, moderate to gentle breeze with no precipitation throughout the week.
Choma	<ul style="list-style-type: none"> Partly cloudy, fair to clear sunny skies throughout the week. Average Temperatures: 25-32°C Light, gentle to moderate breeze with no precipitation throughout the week.

Source: Norway meteorological Institute

COMMODITY HIGHLIGHTS

Local Commodity Prices

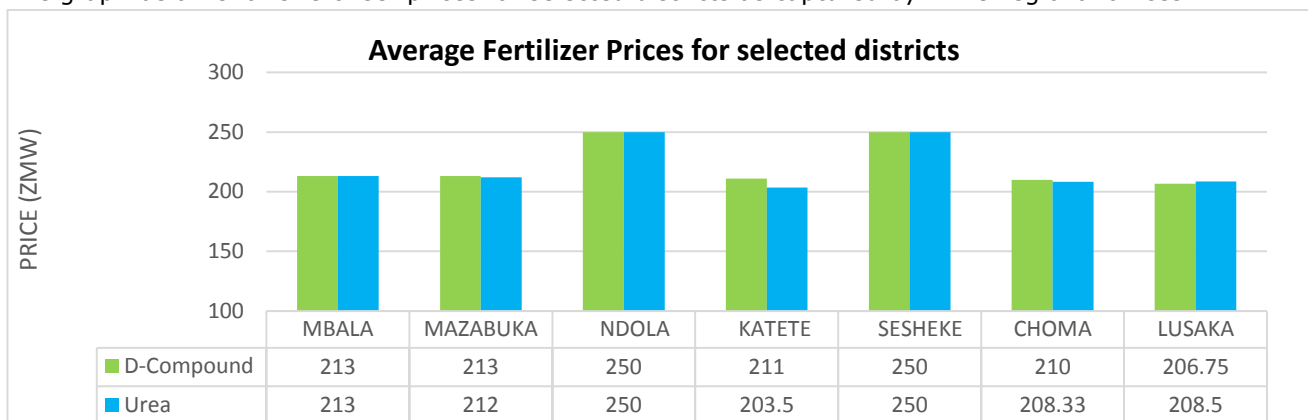
Grains

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

Exchange rate :USD 1= K6.27																		
Prices as at 30 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	160	1100	175	1380	220	1150	183	1100	175	1200	191	1200	191	1000	159	1100	175
Wheat		0		0	2780	443	2400	383		0	2400	383	2650	423		0		0
Soybeans	2000	324		0	2750	439	2500	399	2100	335	2400	383	2500	399	2000	319		0
Sunflower		0		0	2200	351	1000	159	1000	159	1150	183	1500	239		0		0

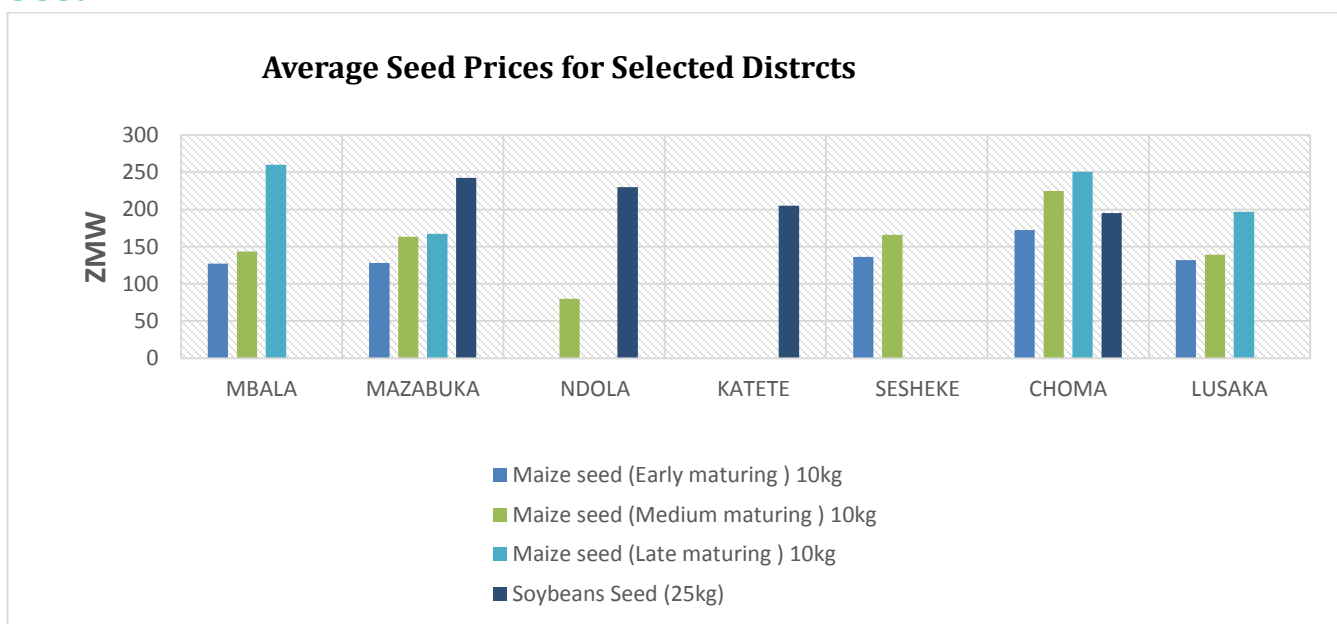
Fertilizer

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



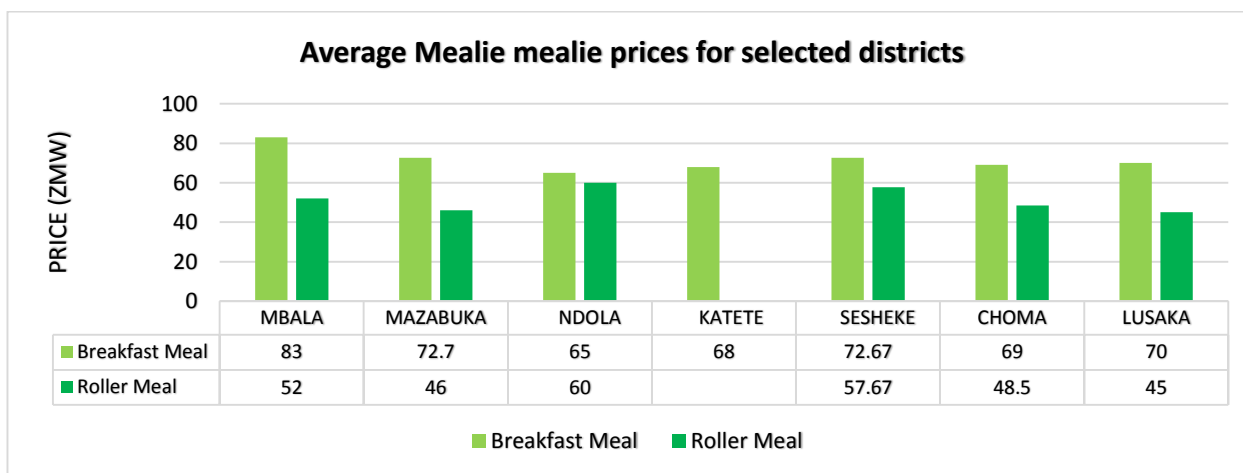
Source: ZNFU Regional Offices

Seed



Source: ZNFU Regional Offices

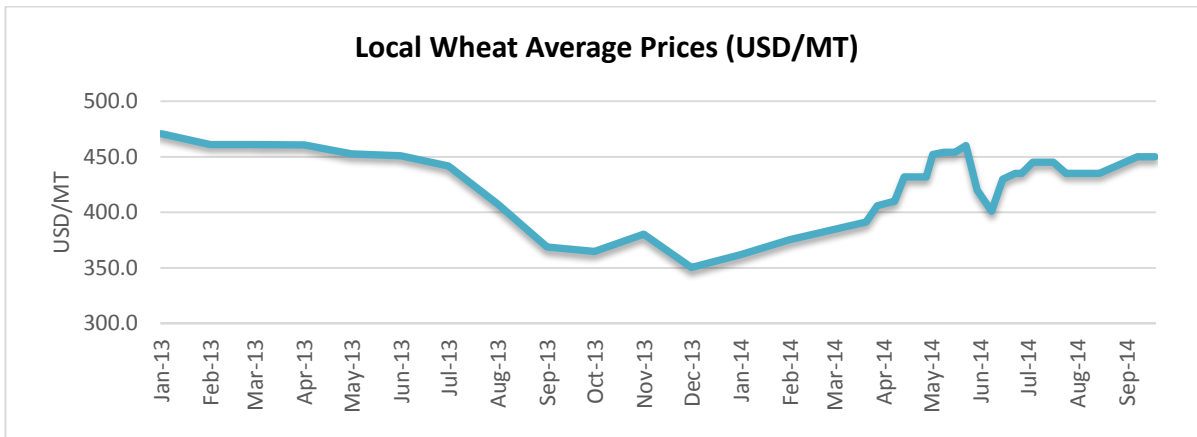
Mealie Meal



Source: ZNFU Regional Offices

WHEAT Highlights

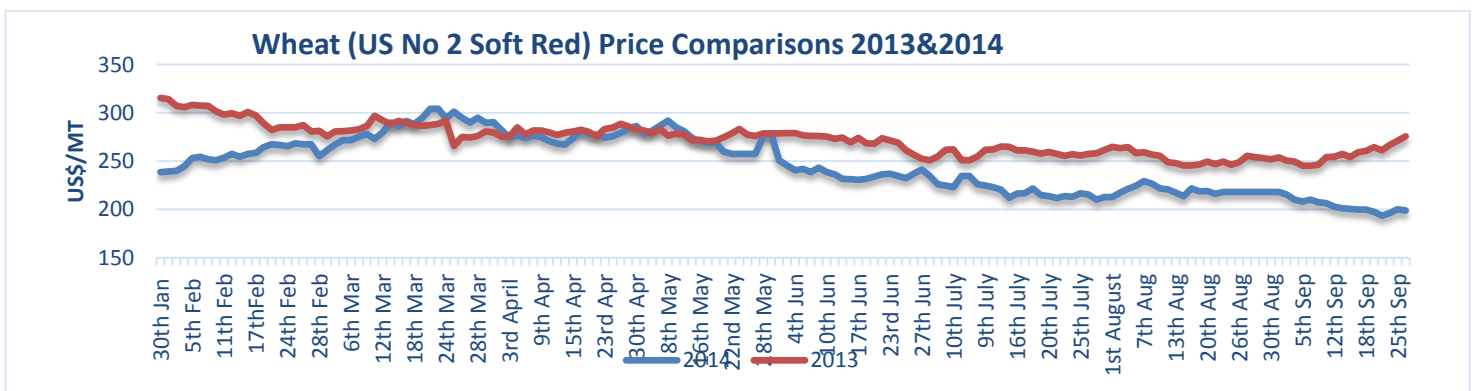
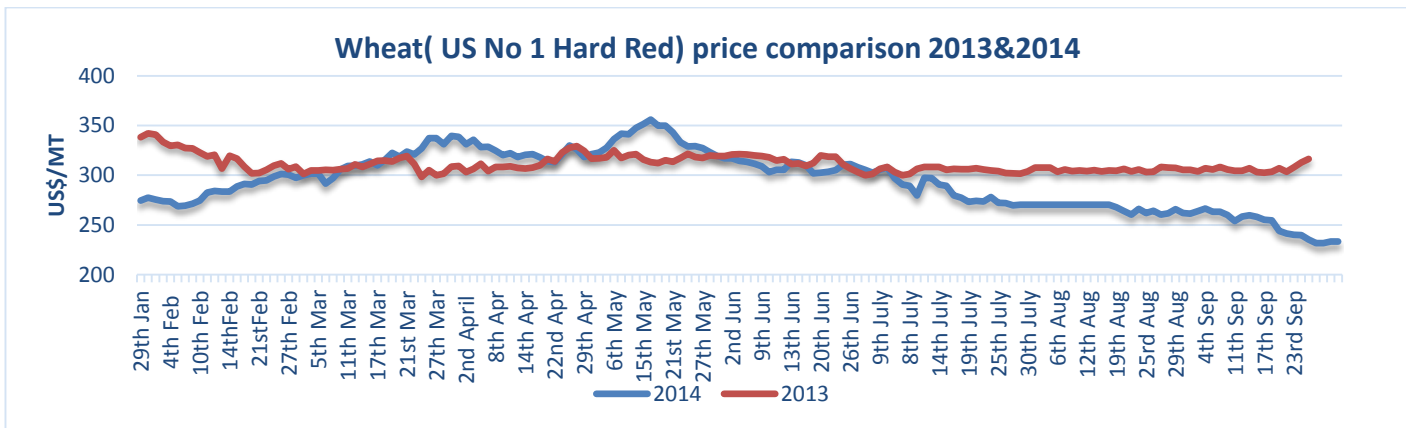
- Wheat in Zimbabwe's Umuza district is reported to have been destroyed by frost. According to the Zimbabwe broadcasting corporation, a cold spell left a trail of destruction in Umuza with 30 hectares of wheat which had reached flowering stage being declared a write off due to the frost.
- The international grains council in their latest grain market report released on 25th sept,2014 elevated global wheat production to a record 717 million metric tons in the 2014-15 season, higher than last month's forecast of 713 million tons and 0.6 percent bigger than the previous year.
- The Chicago futures price for wheat to be delivered in December was pegged at US\$175/MT on Tuesday, 30th Sept, 2014 afternoon.
- Locally, wheat price have remained in the range of US\$450-465/MT.
- The graph below shows wheat price trends:



Source: ZNFU Market price information system

Price trends

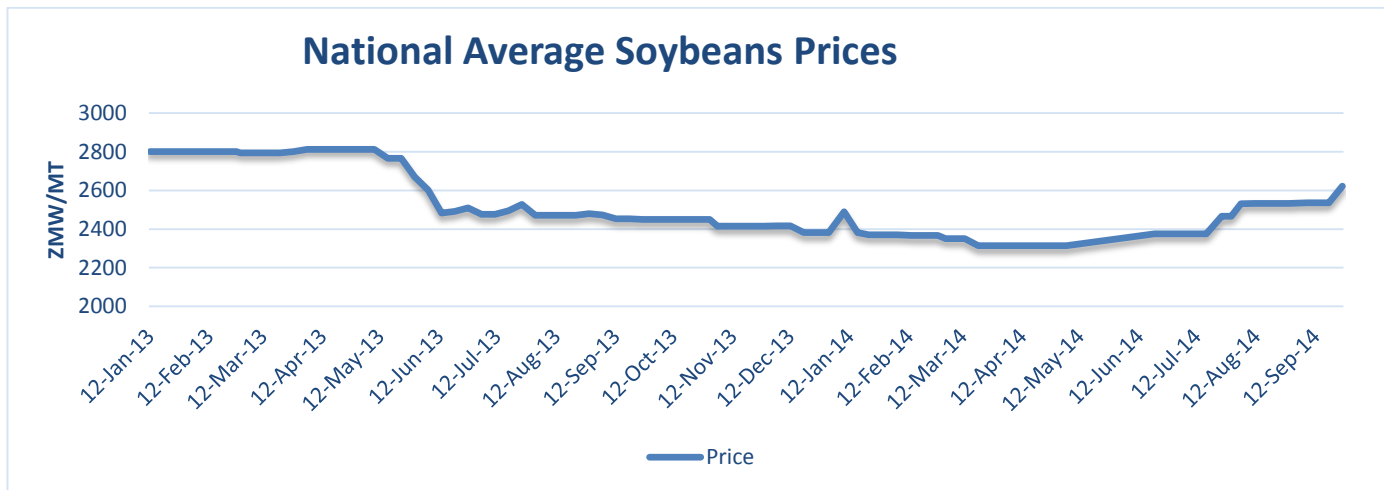
The Safex international soft red and hard red average wheat prices for last week settled at US\$197.38/MT and US\$243.97/MT respectively compared US\$200/MT and US\$243/Mt respectively recorded in the previous week. All prices are fob gulf.



SOYA BEANS

Highlights

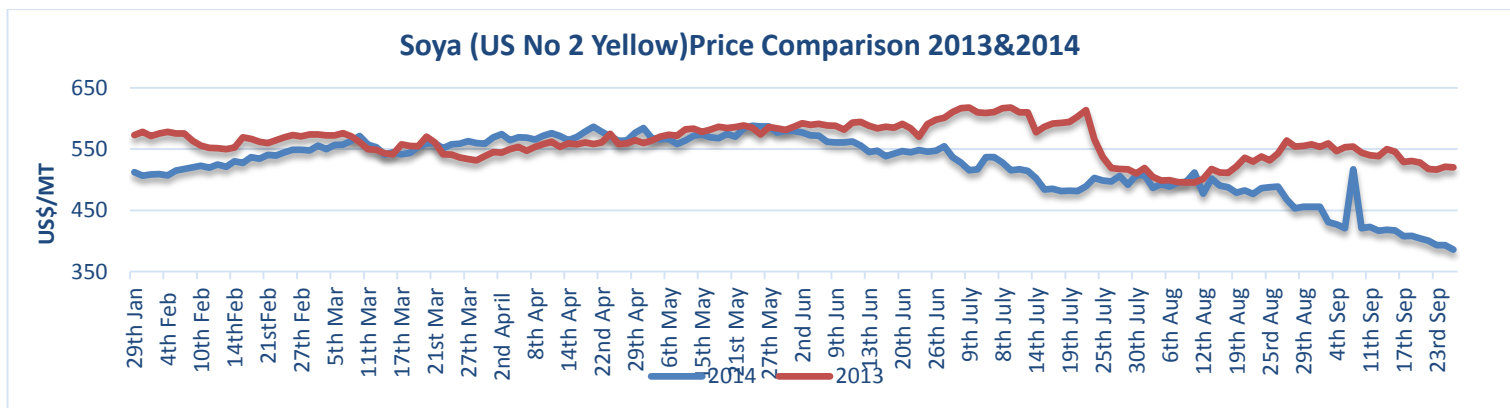
- The International Grains council forecast Soybean production to hit 310 million tons, about 10% higher than last year's output. That increase is expected to continue as new soy plantings boost yields in parts of Brazil and Argentina.
- Malaysian palm oil rose on Monday on expectations of positive palm oil export data for September, but volumes remained low as competing edible oil prices slipped and U.S. soybeans hit a four-year low. According to the Star online, the market is anticipating Malaysian palm oil exports to climb by around a third to 1.6 million tonnes this sept.
- Soybeans prices for delivery in November in Chicago settled at US\$337/MT on Tuesday 30th Sept, 2014 afternoon.
- 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:



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\$395.41/MT below the previous week's average of US\$413.54/MT. all prices are fob gulf.



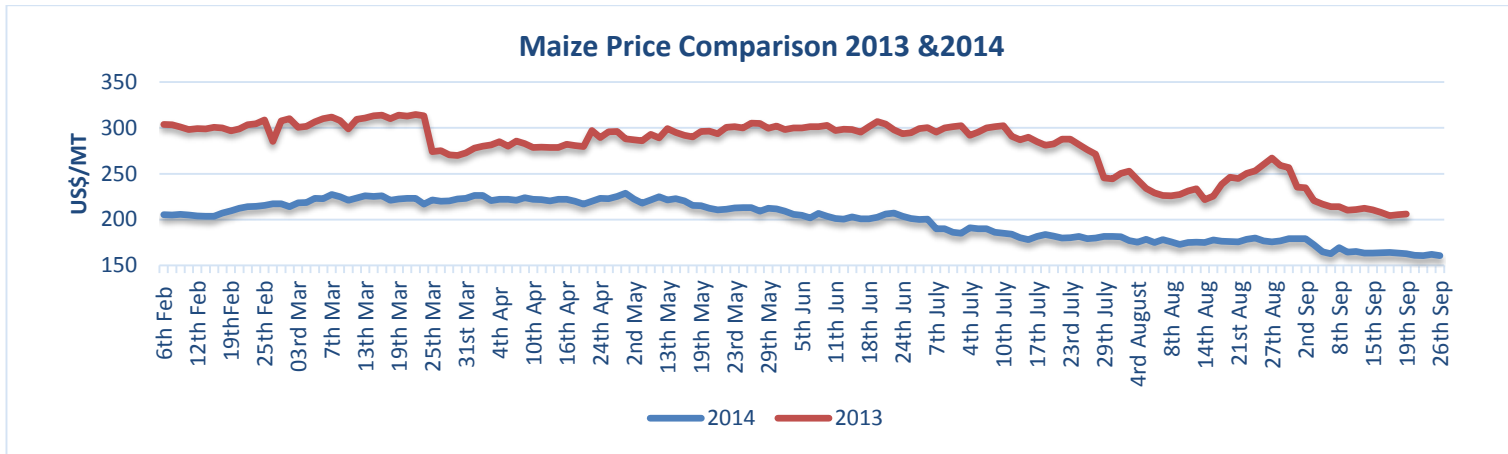
Maize Highlights

- A survey by Reuters forecast that the South African crop estimates committee will barely change its 2014 maize output forecast to about 14.39 million tons, as farmers hold onto crops in the face of prices that have fallen more than 40 percent from record peaks scaled in February. The government's Crop Estimates Committee (CEC) last month said maize output for 2014 would be 14.307 million tonnes.

- The international Grain council in its latest grain market report raised its forecast for global maize production to 974 million tons, 0.1 percent more than the August estimate but while still below last season's record harvest of 983 million tons.
- The Chicago maize future price for delivery in December was pegged at US\$ 128/MT on Tuesday, 30th September afternoon.
- Locally, Maize prices have continued to be pressured by the bumper supply of the commodity on the market with most private buyers now slowly reducing their offer prices .An average maize price of K1.33 was recorded last week compared to the K1.369/Kg recorded in 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\$161.38/ton below the previous week's price of US\$163.63/ton. All prices are fob gulf.



COTTON Highlights

- India's cotton plantings have hit record levels with the season's planting virtually complete. The country has planted 11.702 million hectares of Bt cotton and 952,410 hectares of non-Bt cotton.
- China will slash its 2015 cotton import quotas to 894,000 tons in order to boost demand for the domestic fibre. Besides this quota, which is in conformity to WTO guidelines, China is not expected to offer any additional quotas.
- USDA has projected that west Africa's 2014/15 production will grow by 16 percent from the previous year's 1.6 million tons to 1.8 million tons with Mali being the main stimulant behind this increase.
- The expected increments in cotton output by India and other regions coupled by the reduced Chinese cotton purchases are likely to worsen the global cotton glut and suppress international cotton prices further.
- The graph below shows cotton price trends in Chicago :



BEEF

Highlights

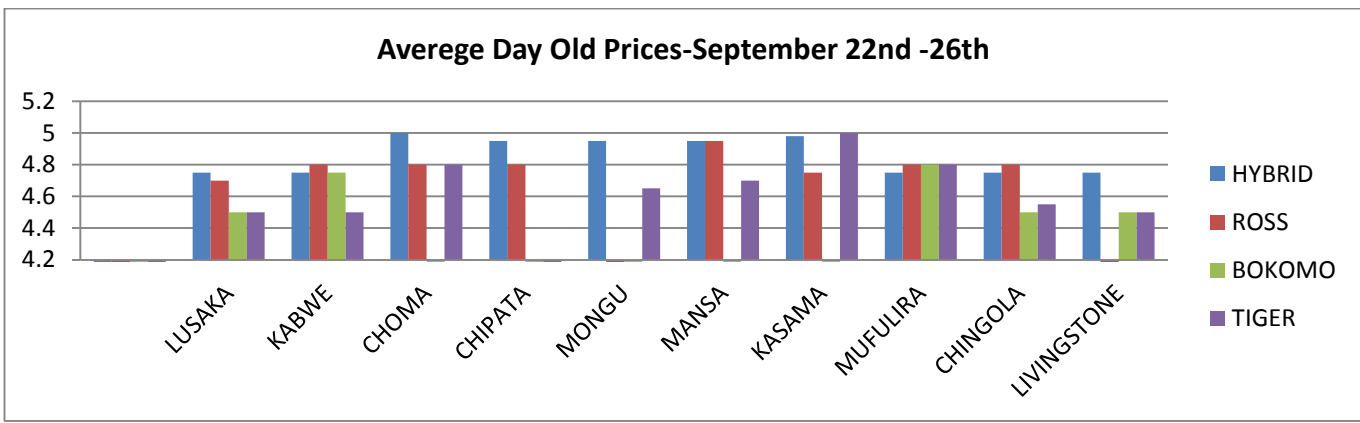
- During the first half of 2014, Sweden reduced its beef imports by 7percent on a year-on-year basis with fears over the increased use of antibiotics in farm animals as the main driver. The country however increased its beef exports by 17 percent.
- On the Namibian market, weaners and heifers were auctioning for about R17.63/Kg and R16.56/kg respectively as at 29th September 2014. Meanwhile Class A1 beef in abattoirs was going for about R33-33.52/Kg on 29th September 2014.
- According to the South Africa Feedlot Association, grain fed beef carcass cost ZAR34.20/Kg while live animal cost ZAR19.89/Kg on average in the week ending 7th September 2014.
- Local beef prices have continued trading in the range of ZMK14-26.5/kg, dressed weight, this is as captured by the ZNFU 4455 price information system.
- The graph below shows live cattlr price trends in chicago;



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 in all towns displayed has remained static with Choma posting the highest price for Hybrid day old chicks at ZMW5 per chick while Lusaka and Kabwe are posting the lowest price for the Hybrid day old chicks at ZMW4.75. Lusaka, Kabwe and Livingstone are posting lowest price for the Tiger day old chick at ZMW4.5 per chick. Mansa is posting highest price for the Ross day old chick at ZMW4.95 per chick while Lusaka is the lowest at ZMW4.70. The Bokomo day old chick is cheapest in Lusaka, Chingola and Livingstone where it is going for ZMW4.5. However the Bokomo day old chick is going for ZMW4.8 in Mufulira and ZMW4.75 in Kabwe. Further the graph shows that some brands are not being supplied in some districts, for instance Mongu only has Hybrid and Tiger day old chicks being supplied in the district. It has to be noted that the prices of day old chicks in the districts have remained flat during the course of the week with no notable changes.

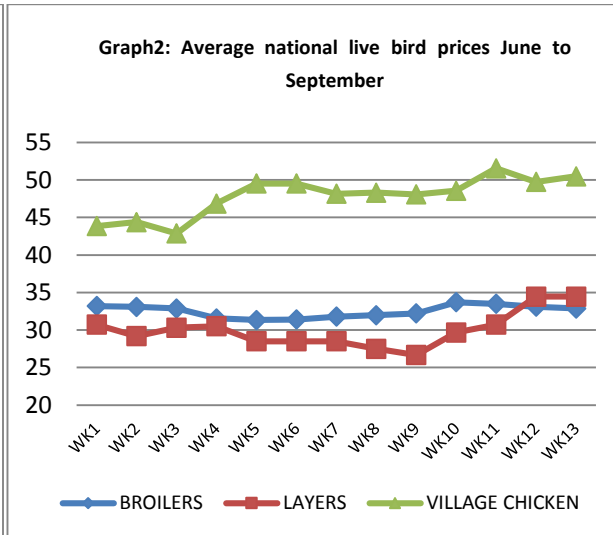
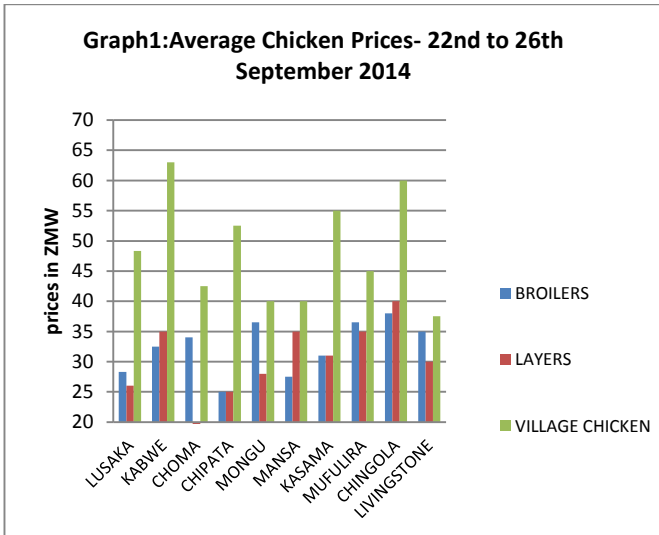


Source: Poultry Association of Zambia

AVERAGE LIVE BIRDS PRICES

The graph2 below shows the average live bird prices in Lusaka, Choma, Kabwe, Chipata, Mongu and Mansa, Mufulira, Chingola and Livingstone. The average price of broiler live chickens has remained relatively stable except in Lusaka, Kabwe and Mongu. The price in Lusaka has reduced from ZMW31.17 to ZMW28.33 representing a 9% price reduction while the price in Kabwe has reduced from ZMW35 to ZMW32.5 representing a 7% price reduction. These price reductions are attributed to increased supply in these markets. On the other hand Mongu has experienced a priced increase from ZMW 36 to ZMW36.5 representing a 1.4% price increase which has been said to be caused by an increase in the demand of chicken meat due to the rising price of beef in the town. The price of layers has also been stable with only Lusaka registering a price reduction in the average price from ZMW27 to ZMW26 representing a 3.7% price reduction. On the other hand Choma and Kabwe have experienced a price increase in the price of village chicken from ZMW40 to ZMW42.5 in Choma and from ZMW60 to ZMW63 in Kabwe representing 6.3% and 4.7% respectively. However Lusaka has experienced a drop in the price of village chicken for ZMW57.5 to ZMW48.33 representing a 15.9% reduction in price.

Graph 2 on the other hand 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 the price of broiler and layer live birds while the price of broiler live birds has been higher than the price of layers throughout from June to September until week 12 where the price of layers begins to go above that of the broiler live bird. This is due to the declining price of broiler live birds caused by increased supply of the birds in most markets.

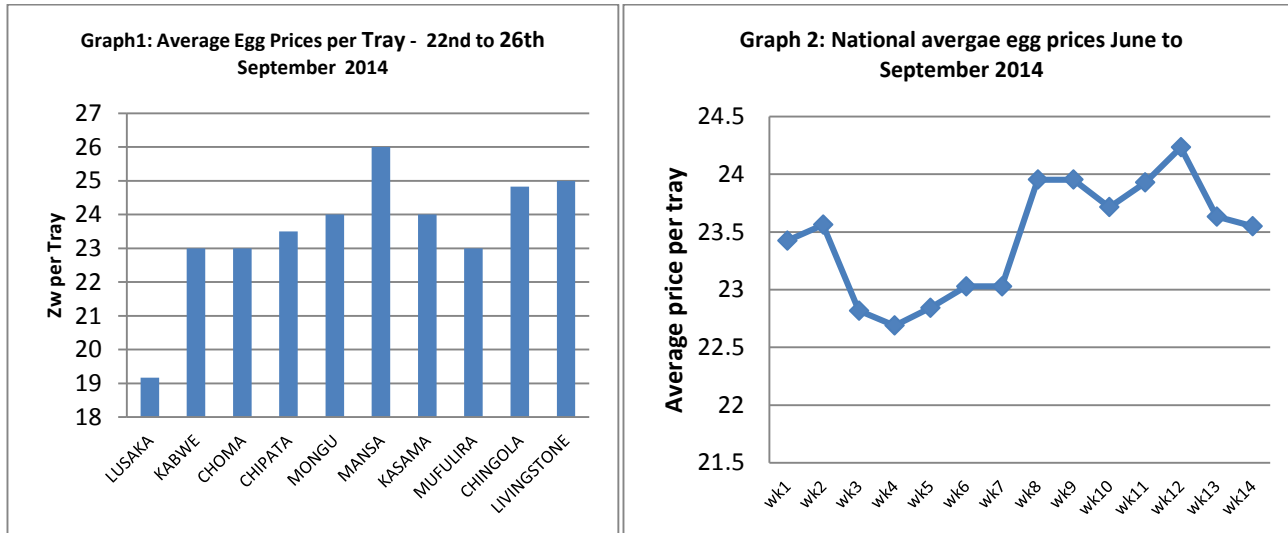


Source: Poultry Association of Zambia

AVERAGE EGG PRICES

Graph1 below shows average prices of eggs in selected provincial centres around the country. Prices have been stable during the course of the week except in Lusaka where the price has declined from ZMW20 to ZMW19.17 representing a 4% price reduction. The cause of this could be an increase in the supply of eggs caused by an increase in the production of eggs. Mansa is posting highest price at ZMW26 while Lusaka is posting lowest price at ZMW19.17

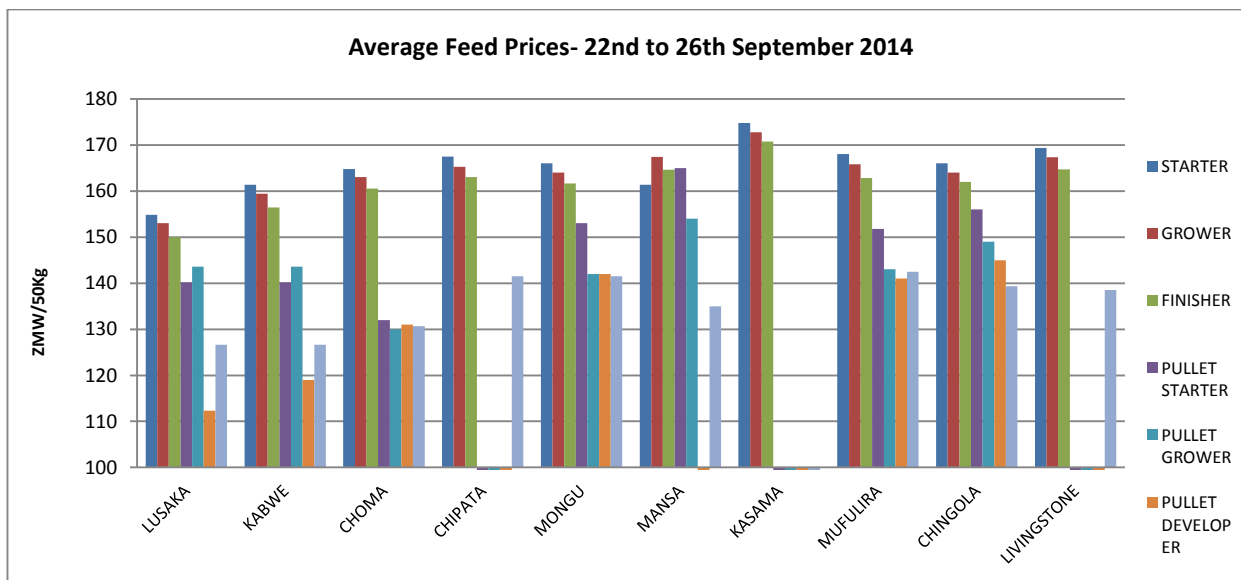
Graph 2 shows the price trend for eggs over a period of three months from mid-June to September 2014. The graph shows that the lowest price recorded was ZMW22.68 in week 4 and prices reached a peak at ZMW 24.23 in week 12 and have since began declining and are at ZMW23.55 in week14.



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.

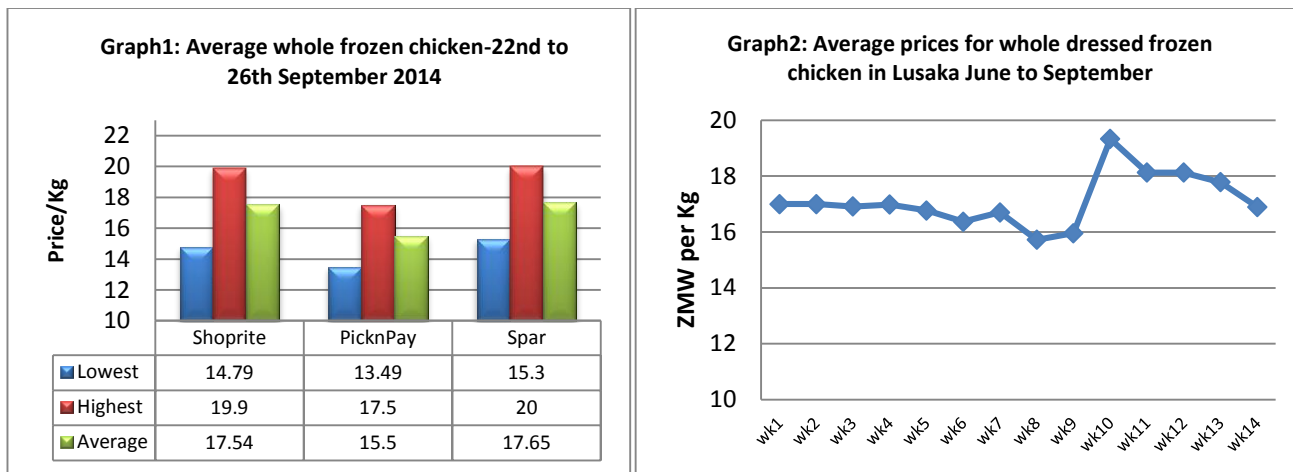


Source: Poultry Association of Zambia

AVERAGE WHOLE DRESSED CHICKEN PRICES

Graph1 below shows average prices of whole frozen chickens in the three chain stores around in Lusaka. The average price has reduced in all three stores. In Shoprite the price has reduced from ZMW to ZMW 17.54 with the lowest going at ZMW14.79 and the highest going at ZMW19.90. The lowest priced chicken in Pick n' Pay is going for ZMW13.49 while the highest is going for ZMW17.50. The average price in Pick n' Pay has reduced from ZMW16.72 to ZMW15.5. The highest priced chicken in Spar is going at ZMW20 while the lowest is going at ZMW15.30. The average price has reduced from ZMW18.9 to ZMW17.65

Graph 2 shows the average price trend for whole frozen dressed chicken from mid -June – September 2014. The lowest price recorded was ZMW15.72 in week 8 and the highest was ZMW19.33 in week 10. The price has since been declining and is at ZMW16.89 in week 14.



Source: Poultry Association of Zambia

Note: All prices in this update are retail prices.

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