



# THE WEEKLY AGRO WATCH



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13<sup>th</sup> September, 2014

## Industry Updates

### In this issue:

*Rain forecast  
in some  
districts*

### International Food Prices continue tumbling

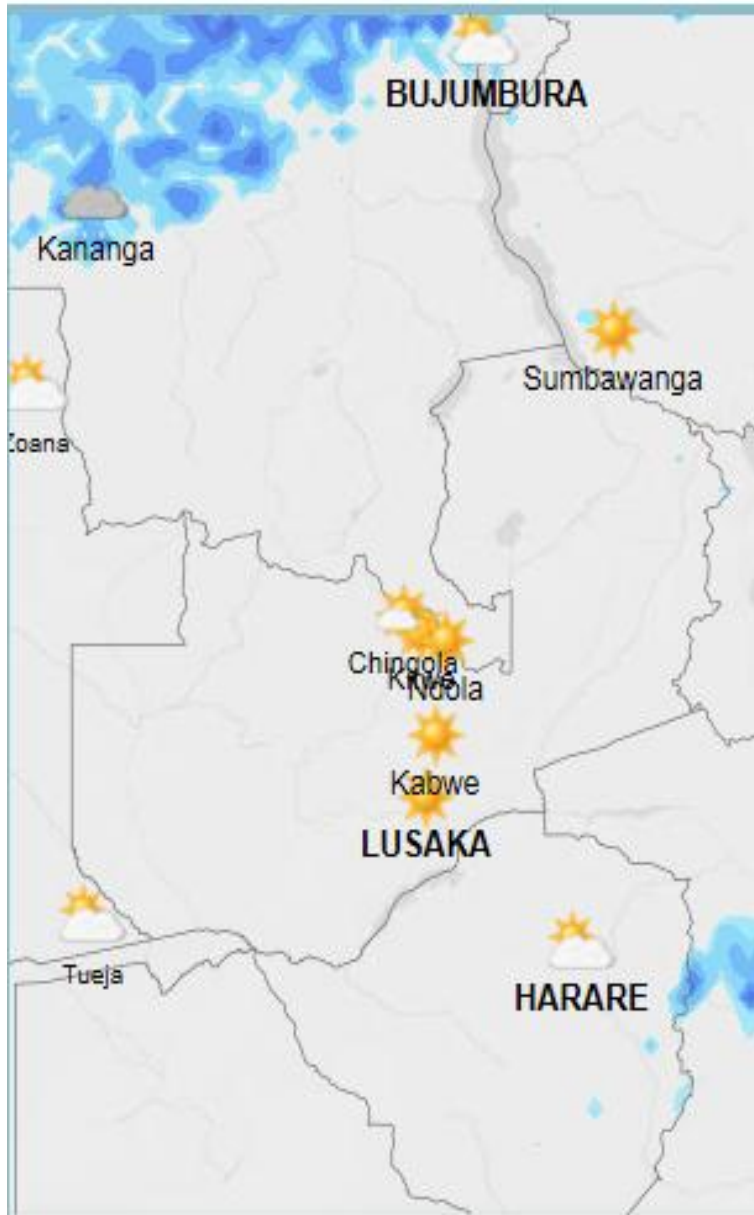
The FAO food price index has dropped for the sixth consecutive month to average 191.5 percent in September 2014, the lowest level since August 2010. The sugar and dairy prices recorded the largest fall followed by cereals and oils while meat prices remained firm. FAO cited the general dollar appreciation as one of the underlying factors behind the fall in prices.

## Exchange Rates

CURRENCY	13/10/2014						06/10/2014					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Buying	Selling	Buying	Selling	Buying	Selling	Buying	Selling	Buying	Selling	Buying	Selling
<b>First National Bank</b>	6.26	6.39	0.57	0.58	10.04	10.29	6.23	6.36	0.56	0.57	9.96	10.16
<b>Standard Chartered</b>	6.26	6.39	0.57	0.58	10.09	10.29	6.24	6.36	0.55	0.56	9.98	10.17
<b>ZANACO</b>	6.26	6.39	0.56	0.58	10.05	10.30	6.24	6.36	0.55	0.56	9.92	10.18
<b>Bank of Zambia (BOZ)</b>	6.31	6.33					6.28	6.30	0.557	0.559	10.04	10.07

## Weather Update

The table summarizes the weather forecast for some selected towns for the period 13<sup>th</sup> October to 19<sup>th</sup> October 2014. Rainfall is forecast in some districts as outlined in the table



TOWN	WEATHER SUMMARY
<b>Ndola</b>	<ul style="list-style-type: none"> <li>➤ Fairly to partly cloudy skies on 13<sup>th</sup>, 15<sup>th</sup>, 16<sup>th</sup> and 19<sup>th</sup>. Clear sunny skies on 14<sup>th</sup>. The 17<sup>th</sup> and 18<sup>th</sup> will be cloudy with 0.4mm rainfall forecast on the 18<sup>th</sup>.</li> <li>➤ Average Temperatures: 29-34°C.</li> <li>➤ Light, moderate to gentle breeze throughout the week.</li> </ul>
<b>Mkushi</b>	<ul style="list-style-type: none"> <li>➤ Clear sunny skies forecast from 13<sup>th</sup> to 16<sup>th</sup>. 17<sup>th</sup> &amp; 19<sup>th</sup> will be partly cloudy. 1.2 mm of rainfall expected on the 18<sup>th</sup>.</li> <li>➤ Average Temperatures: 29-34°C</li> <li>➤ Light and gentle breeze with throughout the week.</li> </ul>
<b>Kabwe</b>	<ul style="list-style-type: none"> <li>➤ Clear sunny skies forecast from 13<sup>th</sup> to 16<sup>th</sup>. 0.7 mm of rainfall expected on the 17<sup>th</sup>. The 18<sup>th</sup> &amp; 19<sup>th</sup> will be partly cloudy.</li> <li>➤ Average Temperatures: 30-35°C</li> <li>➤ Moderate to gentle breeze with throughout the week in the east-southeast direction.</li> </ul>
<b>Lusaka</b>	<ul style="list-style-type: none"> <li>➤ Clear sunny skies from 13<sup>th</sup> to 15<sup>th</sup>. The 16<sup>th</sup> is expected to be fairly cloudy and 17<sup>th</sup> to 19<sup>th</sup> fairly cloudy.</li> <li>➤ Average Temperatures: 28-34°C</li> <li>➤ Light to moderate breeze throughout the week in the east-north east direction and east-south east direction on 16<sup>th</sup>.</li> </ul>
<b>Mazabuka</b>	<ul style="list-style-type: none"> <li>➤ Clear sunny skies from 13<sup>th</sup> to 15<sup>th</sup>. The 18<sup>th</sup> is expected to be fairly cloudy and 16<sup>th</sup>, 17<sup>th</sup> &amp; 19<sup>th</sup> partly cloudy.</li> <li>➤ Average Temperatures: 29-36°C.</li> <li>➤ Light and gentle to moderate breeze throughout the week</li> </ul>
<b>Choma</b>	<ul style="list-style-type: none"> <li>➤ Clear sunny skies from 13<sup>th</sup> to 15<sup>th</sup>. The 16<sup>th</sup> is forecast to be cloudy with 0.8mm-1.5mm of rainfall forecast for 17<sup>th</sup> -19<sup>th</sup>.</li> <li>➤ Average Temperatures: 24-34°C</li> <li>➤ Light to gentle breeze throughout the week in the east to north-east direction.</li> </ul>

Source: Norway meteorological Institute

## COMMODITY HIGHLIGHTS

### Local Commodity Prices

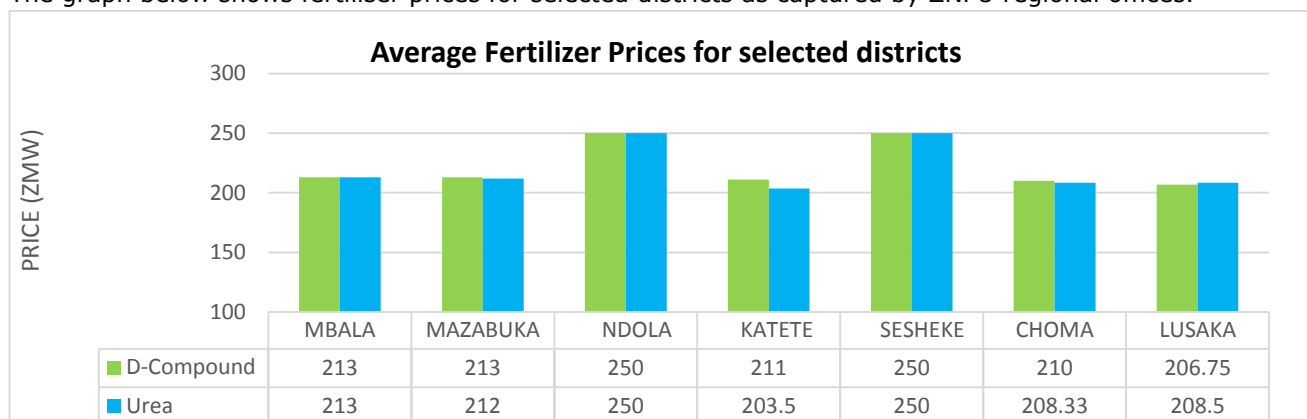
#### Grains

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

Exchange rate :USD 1= K6.3																		
Prices as at 6 <sup>th</sup> October , 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	159	1100	175	1380	219	1150	183	1100	175	1200	190	1200	190	1000	159	1100	175
Wheat		0		0	2780	441	2400	381		0	2400	381	2650	421		0		0
Soybeans	2000	317		0	2750	437	2500	397	2100	333	2400	381	2500	397	2000	317		0
Sunflower		0		0	2200	349	1000	159	1000	159	1150	183	1500	238		0		0

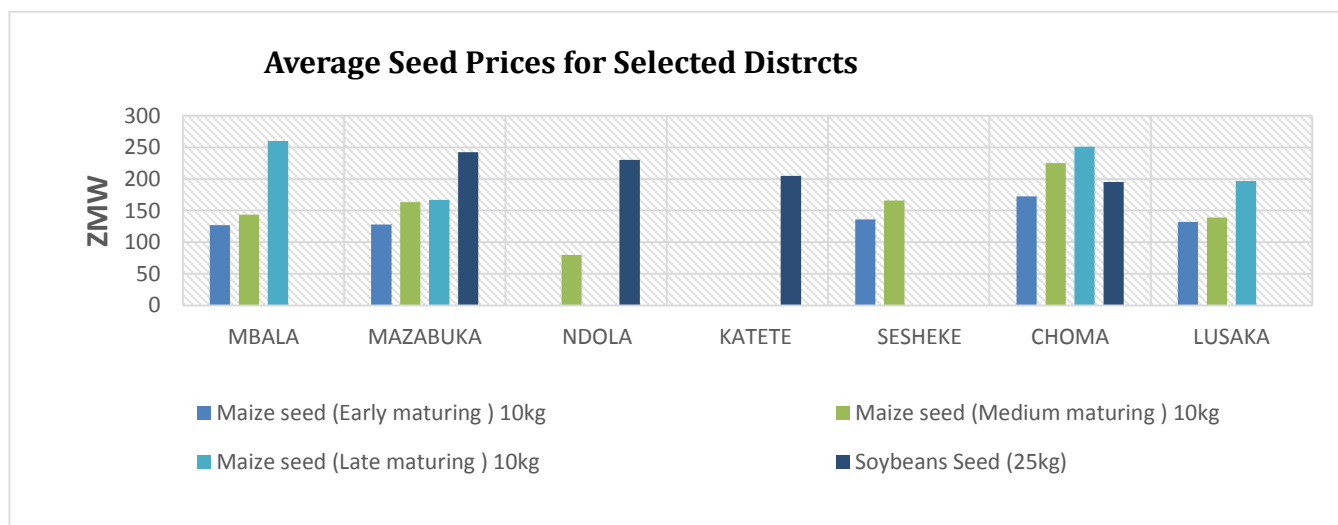
#### Fertilizer

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



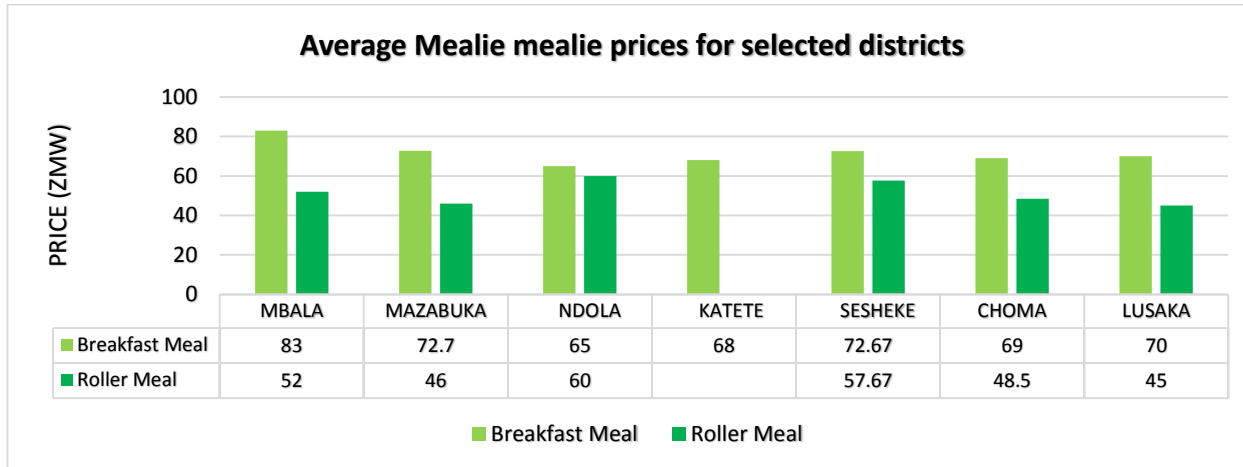
Source: ZNFU Regional Offices

#### Seed



Source: ZNFU Regional Offices

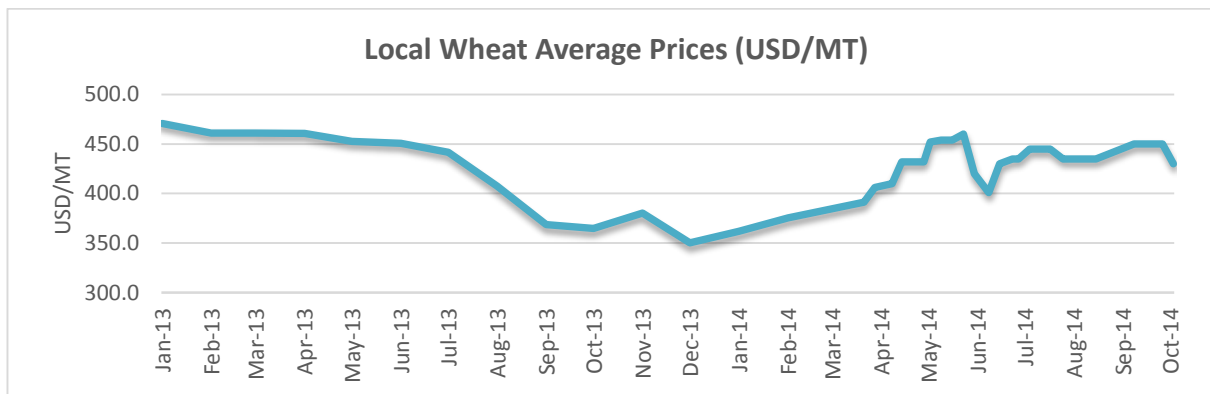
## Mealie Meal



Source: ZNFU Regional Offices

## WHEAT Highlights

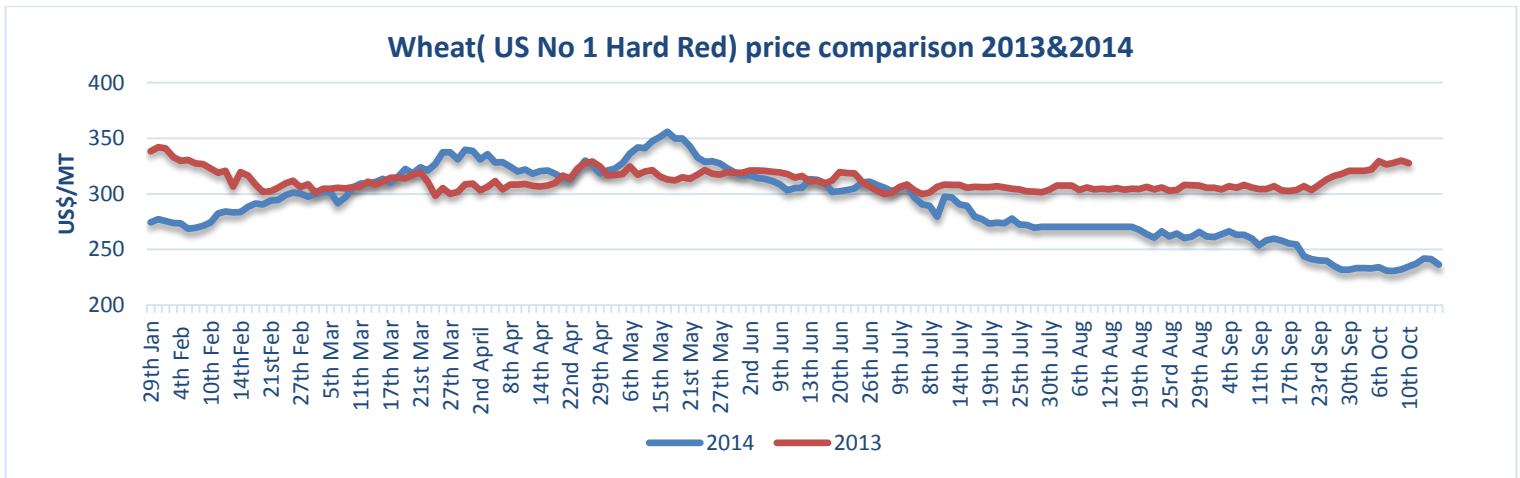
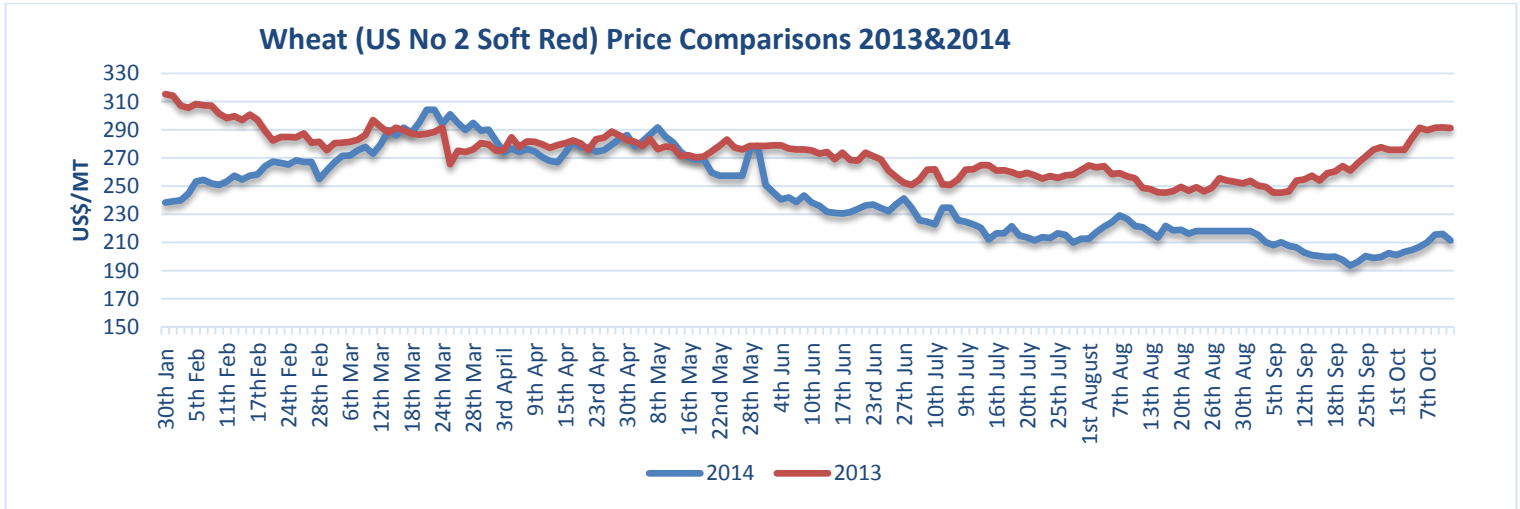
- The Namibian Minister of Trade and Industry announced last week at the Namibia Agricultural Union Annual Conference that approval had been granted to Namibia from the Southern African Customs Union to increase its total allowable quota under the wheat rebate from 50,000 tons to 80,000 tons per rebate year, the wheat rebate is meant to prevent the unnecessary cost burden on basic food for the consumers and for food security purposes.
- FAO in its latest Cereal Supply and Demand Brief has further revised up its forecast for world wheat production in 2014/15 from its September estimate of 716.5 million tonnes to 718.5 million tonnes.
- The Chicago maize futures price for delivery in December settled at US\$181/MT on Friday Morning, 10th Oct.
- Locally, wheat prices maintained their sideways trade and are in the range of US\$430-445/MT. the graph below



Source: ZNFU 4455 market price information system

## Price trends

The Safex international soft red price for last week settled at US\$212.08/MT and hard red prices averaged US\$238.05/MT. the two wheat varieties recorded 5.4 percent and 2.56 percent price increments in comparison to the previous week.



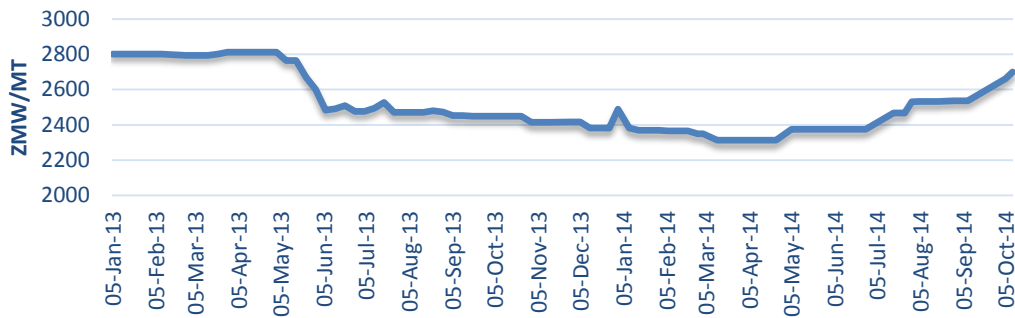
Source: Safex

## SOYA BEANS

### Highlights

- The Brazilian government's crop supply agency Conab, in their first estimates for 2014-15, forecast a rise in domestic soybean production. The forecast which reflects a strong reduction in futures prices owing to the expected record harvest in the US is lower than estimates from other observers coming in between 88.83-92.41million tonnes. The USDA pegged Brazil's soybean crop at 94.0m tonnes. Brazil harvested 86.12m tonnes harvested last season.
- The Chicago soybeans futures price for delivery in November settled at US\$343/MT on Friday Morning, 10th Oct.
- Locally, the average price for soybeans in the past week settled at K2.7/Kg .The graph below shows soybeans price trends.

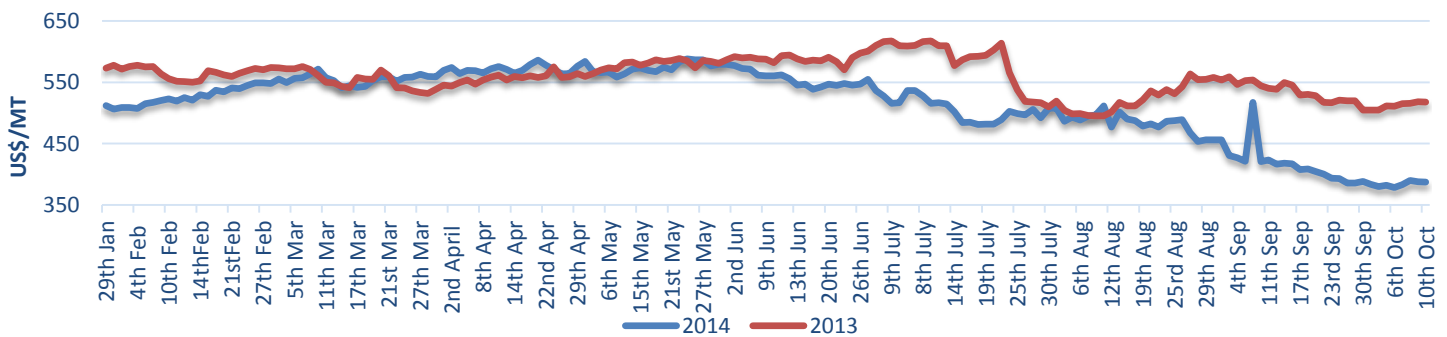
## National Average Soybeans Prices



Source: ZNFU 4455 market price information system

Last week's average international price of US No. 2 yellow soya beans on Safex settled at US\$385.23/MT, a slight pickup from the previous week's average price of US\$391.21/MT. all prices are fob gulf.

## Soya (US No 2 Yellow) Price Comparison 2013&2014



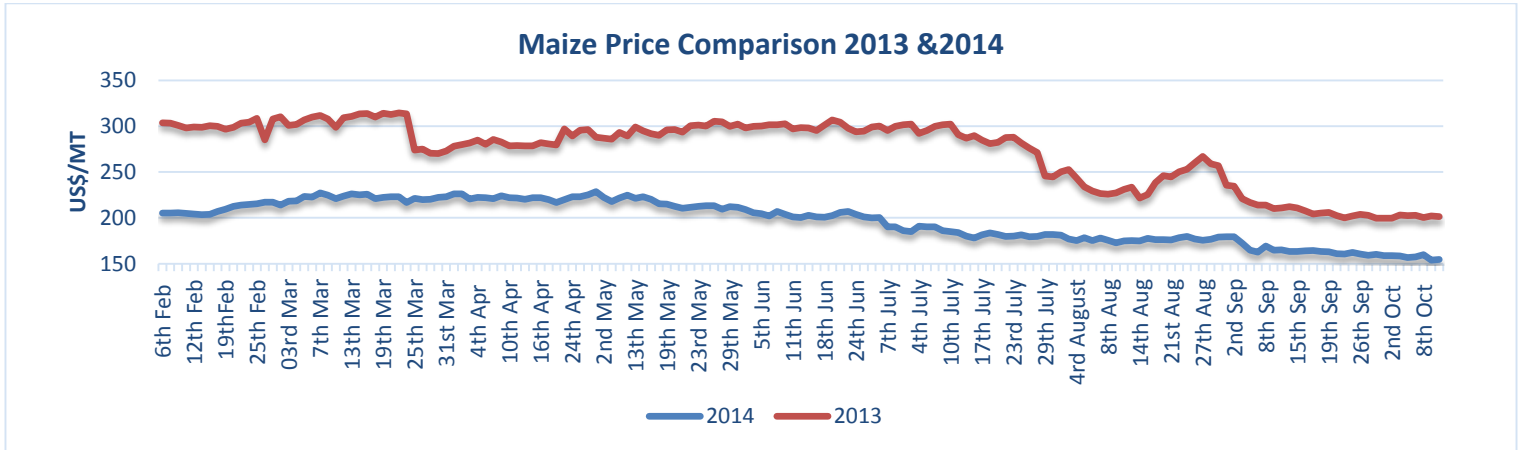
Source: Safex

## Maize Highlights

- Tanzanian farmers are stuck with maize stocks after the country harvested a bumper crop amounting to 6 million tonnes this season. Tanzania is enjoying a bumper crop but buyers including government have failed to rise to the occasion. All Africa reports that the government through the National Food Reserve Agency (NFRA) can only afford to buy 300,000 tonnes of the grain.
- Maize in some major producing regions of Tanzania is now being sold at Tsh15, 000 (\$9) from Tsh45, 000 (\$27) per 100kg bag, the lowest price ever in recent times.
- Meanwhile, the Kenya Farmers Association has advised its Ministry of Agriculture against importing cheap maize from the neighbouring countries like Tanzania as this will dampen local prices for the commodity which farmers hope to sell at a price not less than 3000 Kenyan shillings per 90 kg bag. Tanzanian Maize is landing in Kenya at 2700 Kenyan shillings per 90 kg bag.
- Locally, the bumper maize crop harvested this season has also left some farmers struggling with were to market their crop. Maize Prices have continued to be under pressure and are ranging between K1-1.4/Kg with an average price of K1.2/Kg being recorded as at Friday 10<sup>th</sup> Oct.
- The Chicago maize futures price for delivery in December settled at US\$134/MT on Friday Morning, 10th Oct.

## Price trends

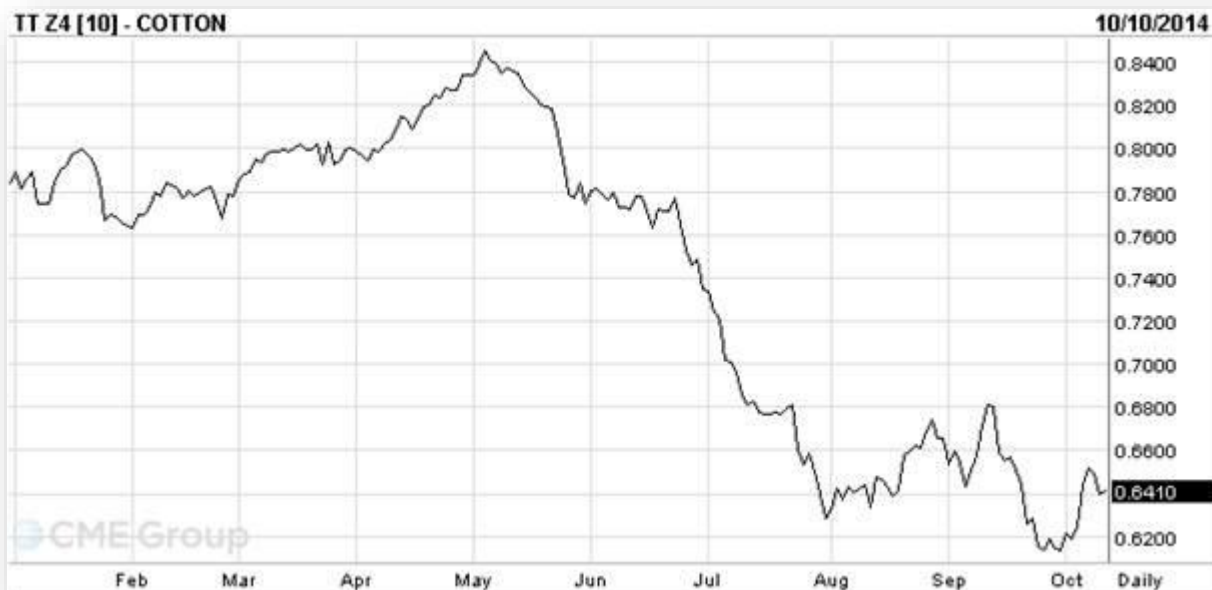
The average international price on Safex price of US No. 2 Yellow maize for last week settled at US\$156.46/ton, down 1.91 percent from the previous week. All prices are fob gulf.



Source: Safex

## COTTON Highlights

- In its first survey of planting intentions, CONAB has estimated the Brazilian 2014/15 cotton lint production to be in the range of 1.52 and 1.72 million tons. In comparison to the previous year, the country's production is expected to decline by 6.8 percent due to the falling international prices.
- Meanwhile Brazil's September cotton exports hit 146,800 tons, much more than the cumulative total for the country's exports during the first half of the year. Between January and September, 2014, the country exported a total of 389,310 tons.
- Reuters reports that Burkina Faso plans on increasing its 2014/15 cotton output to 800,000 from the 650,000 produced in the previous season. However, the late onset of rains delayed the planting and might hinder the West African state from meeting its target.
- Cotton prices on Cotlook settled at 70.70 cents/pound ( $\approx$ US\$1.56/kg) at 15:32 hrs Cat on 13<sup>th</sup> October while cotton for December delivery on the New York Market settled at 64.10 cents/pound ( $\approx$ 1.41/kg)



# BEEF

## Highlights

- The US August beef export volumes dropped by 3 percent to 102,456 metric tons on a year-to-year comparisons. This is despite a 16 percent increment in the value of exports.
- On the Namibian market, weaners and heifers were auctioning for about R17.96/Kg and R17.78/kg respectively as at 10<sup>th</sup> September 2014. Meanwhile Class A1 beef in abattoirs was going for about R32-33.97/Kg on 13<sup>th</sup> September 2014.
- According to the South Africa Feedlot Association, grain fed beef carcass cost ZAR32.85/Kg while live animal cost ZAR19.90/Kg on average in the week ending 5<sup>th</sup> October 2014.
- Local beef prices were trading in the range of ZMK14-27/kg, dressed weight, during the week ending 3<sup>rd</sup> October 2014. The national average price on the ZNFU 4455 price information system was pegged at ZMK18.2/Kg.
- The cme live cattle prices for December delivery settled at 166.10 cents/ pound (≈US\$3.65/kg) on 6<sup>th</sup> October 2014.

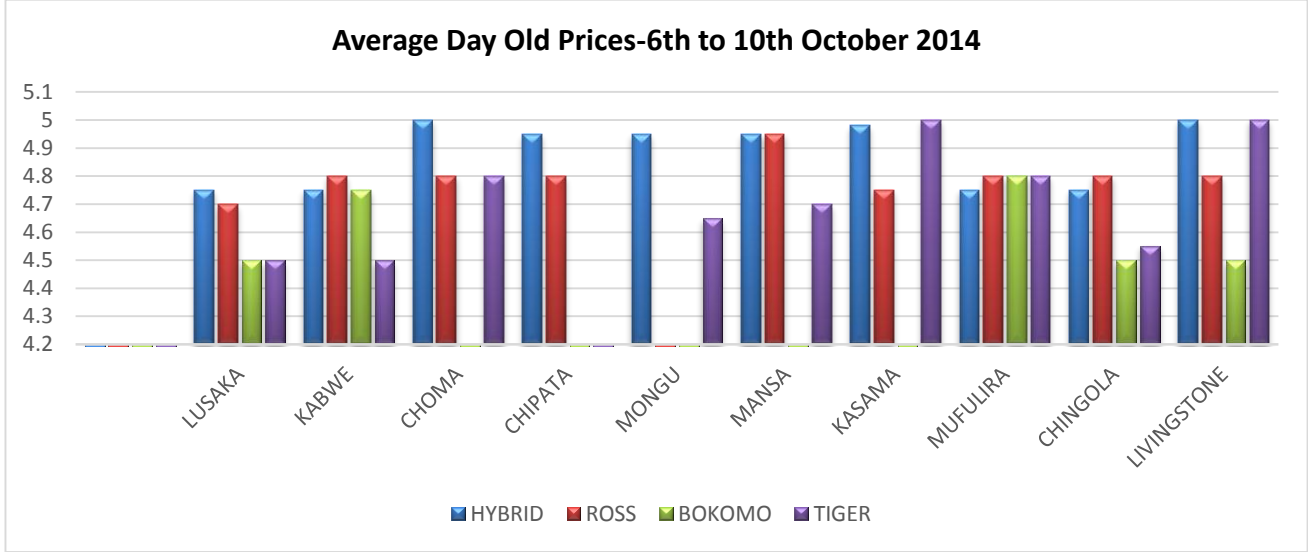




# POULTRY

## AVERAGE DAY OLD CHICK PRICES

The graph below shows average prices of day old chicks for selected towns in the week ending 12<sup>th</sup> October 2014. The price of day old chicks has been very stable the past one month with no significant changes in the towns displayed owing to stable supply of day old chicks in the country.

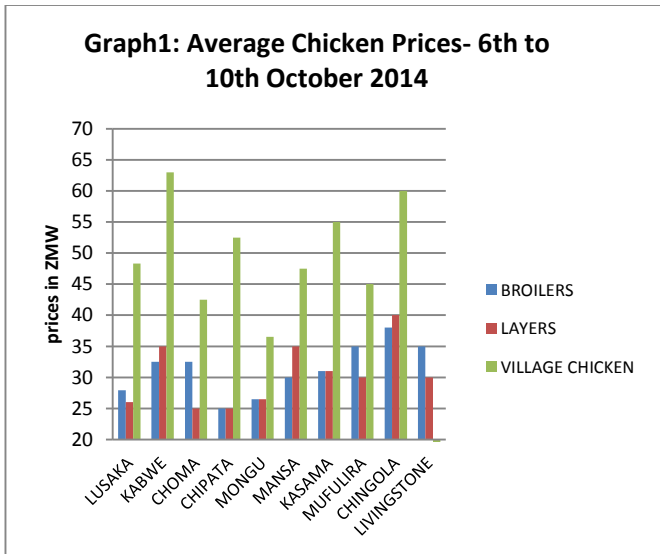


Source: Poultry Association of Zambia

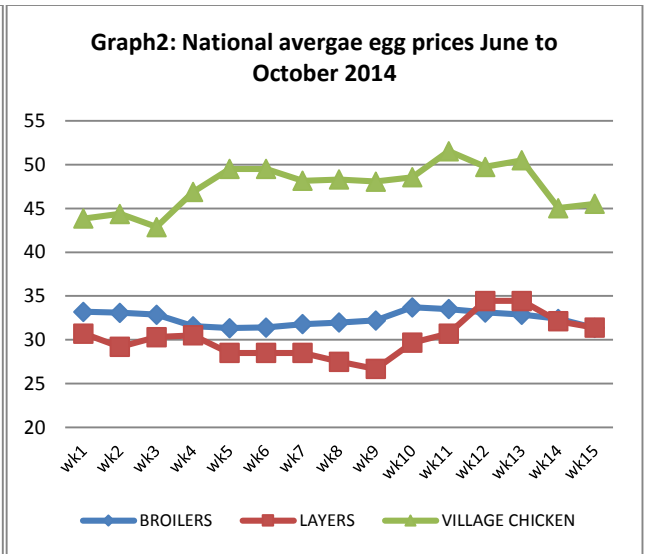
## AVERAGE LIVE BIRDS PRICES

**Graph1** below shows the average live bird prices in Lusaka, Choma, Kabwe, Chipata, Mongu Mansa, Mufulira, Chingola and Livingstone. The average price in most of the districts has been static during last week with the exception of Mufulira where an increase in the price of village chicken was recorded from ZMW45 to ZMW50 representing 11% price increase. No other price changes were recorded in the rest of the towns displayed.

**Graph 2** on the other hand shows the national average price trends for broilers, layers and village chickens. The Graph shows that the price of live birds has been declining the past three weeks. Village chicken is still significantly highly priced as compared to Broilers and layers. However, the price of broiler and layer live birds over the past three weeks have been similar with only minimal differences.



Source: Poultry Association of Zambia



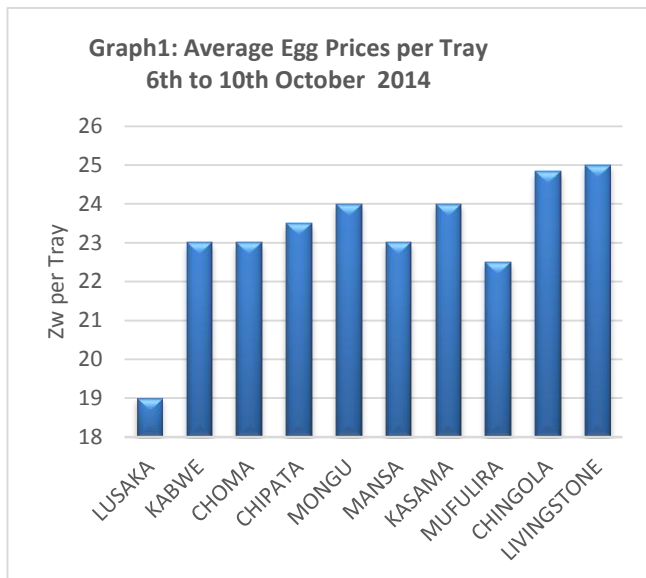
Source: Poultry Association of Zambia

## AVERAGE EGG PRICES

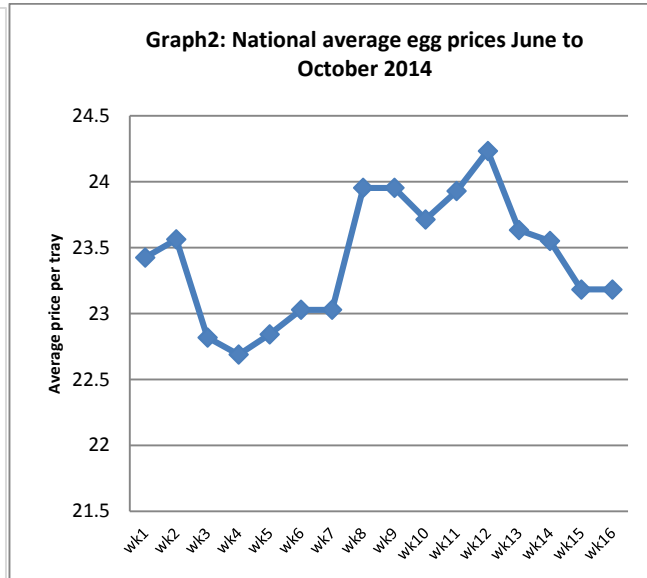
**Graph1** below shows average retail prices of table eggs in selected provincial centres around the country. The price of eggs has been static during the past two weeks with no significant changes. However it can be noted that since the month of September, prices have significantly declined in most of the towns displayed. For instance, the price in Chipata and Mansa has declined from

ZMW26.5 to ZMW23.5 in Chipata and from ZMW26 to ZMW 23 in Mansa district representing 11.3% and 11.5% price reduction respectively. Kabwe has also registered Price reduction from ZMW27 Charged in September to the current price of ZMW23 representing a 14.8% price reduction.

**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 national average retail price of eggs has been static the past two weeks after declining steadily since week 12 when it reached a peak of ZMW24.23 per tray of eggs.



Source: Poultry Association of Zambia

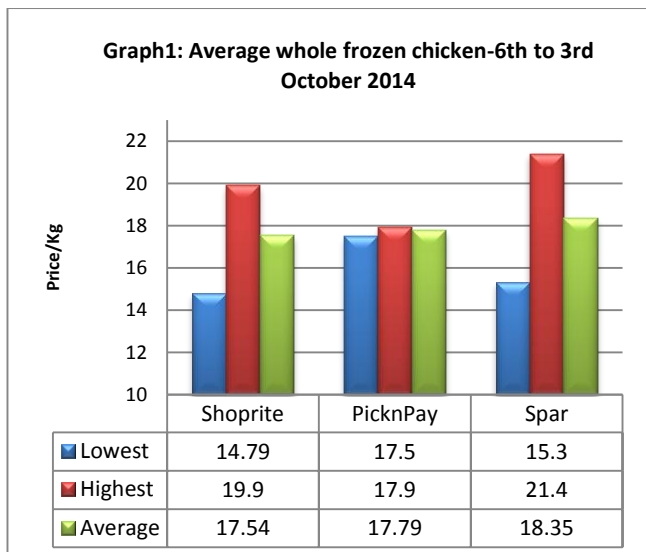


Source: Poultry Association of Zambia

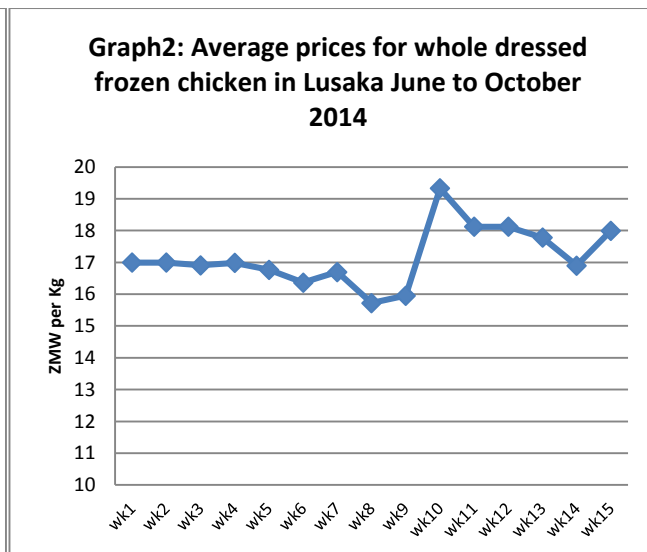
**AVERAGE WHOLE DRESSED CHICKEN PRICES**

**Graph1** below shows average prices of whole frozen chickens in the three chain stores around in Lusaka. The graph shows that at ZMW18.65/Kg, Spar has the highest average price among the three chain stores with the highest priced whole chicken going for ZMW21.40/Kg and the lowest priced going at ZMW15.30/Kg. The average in Shoprite is still ZMW17.54/Kg with the lowest priced chicken going for ZMW14.79/Kg and the highest priced going for ZMW19.90/Kg. The highest priced whole frozen chicken in Pick n' Pay is at ZMW17.90/Kg while the lowest is at ZMW17.50/Kg. The average price in Spar is ZMW17.79/Kg.

**Graph 2** shows the average price trend for whole frozen dressed chicken from mid -June – September 2014. The graph shows that average price of whole dressed frozen chicken which has been declining for a continuous period of 4 weeks since week 10 has risen to an average of ZMW17.66/kg in week 15.



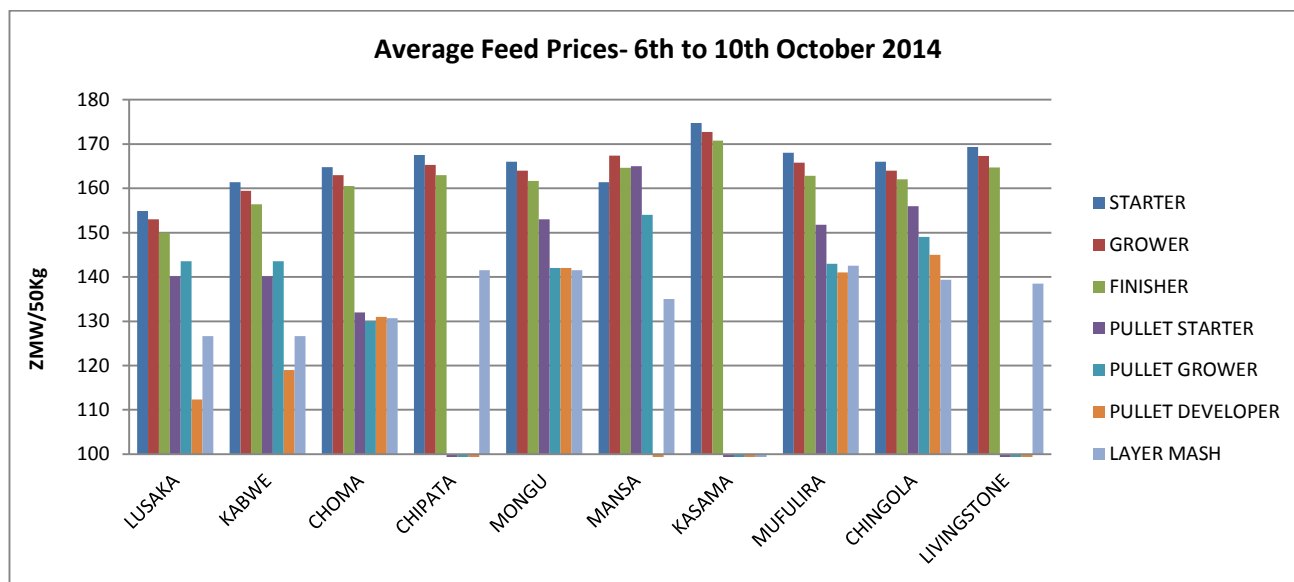
Source: Poultry Association of Zambia



Source: Poultry Association of Zambia

**AVERAGE FEED PRICES**

The average feed prices have remained relatively stable the past three months. 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

Note: All prices on the poultry section are retail prices.

## ZRA Data on Selected Agricultural Commodities

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

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				
<b>Dairy products</b>					
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	
<b>Others</b>					
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](mailto:info@znfu.org.zm)