



THE WEEKLY AGRO WATCH



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20th October, 2014

Industry Updates

Zambia's GDP Forecast to fall

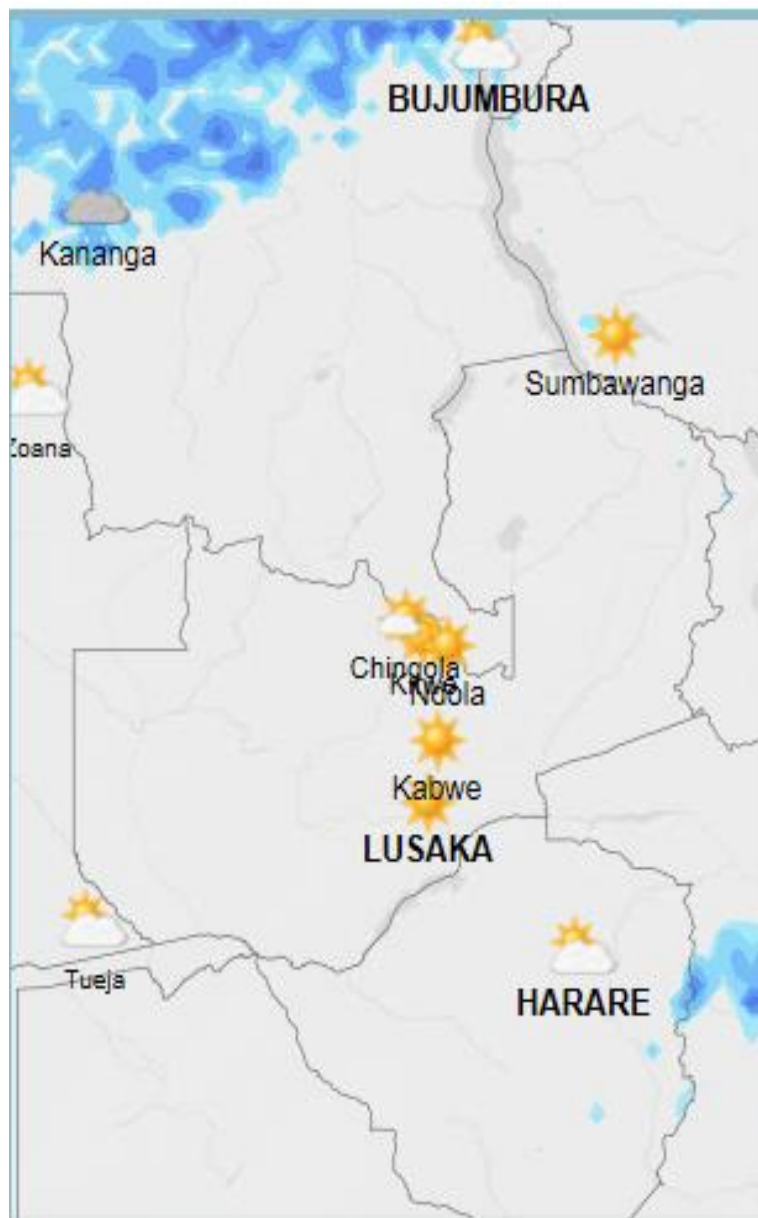
The restricted consumer spending and domestic investment due to the adoption of a tight monetary policy stance as well as uncertainty of government policies are likely negatively affect Zambia's 2014 and 2015 growth rate. According to the Economic Intelligence Unit October report on Zambia, the country's 2014 and 2015 growth rates have been forecast at 6.5 percent and 6.3 percent respectively. Zambia's growth rate in 2013 was pegged at 6.7 percent. The EIU report further notes that the government efforts in seeking for agricultural investment from the gulf region may positively impact the growth of the agricultural sector.

Exchange Rates

CURRENCY	17/10/2014						13/10/2014					
	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	6.32	6.44	0.57	0.58	10.14	10.35	6.26	6.39	0.57	0.58	10.04	10.29
Standard Chartered	6.32	6.44	0.57	0.58	10.16	10.36	6.26	6.39	0.57	0.58	10.09	10.29
ZANACO	6.31	6.43	0.57	0.58	10.09	10.35	6.26	6.39	0.56	0.58	10.05	10.30
Bank of Zambia (BOZ)	6.34	6.36	0.571	0.573	10.19	10.23	6.31	6.33				

Weather Update

The table summarizes the weather forecast for some selected towns for the period 19th October to 26th October 2014.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Partly cloudy skies on 19th, 20th, 25th & 26th anticipated to be fairly cloudy with clear sunny skies the rest of the week ➤ Average Temperatures: 30-32°C. ➤ Light to gentle breeze throughout the week with no precipitation forecast.
Mkushi	<ul style="list-style-type: none"> ➤ 19th and 26th expected to be partly cloudy with clear sunny skies the rest of the week. ➤ Average Temperatures: 30-33°C ➤ Light and gentle breeze with throughout the week with no precipitation
Kabwe	<ul style="list-style-type: none"> ➤ Clear sunny skies are forecast throughout the week save for the 26th when it is expected to be partly cloudy. ➤ Average Temperatures: 29-34°C ➤ Moderate to gentle breeze expected throughout the week with no precipitation,
Lusaka	<ul style="list-style-type: none"> ➤ Clear sunny skies throughout the week with the 19th being fairly cloudy. ➤ Average Temperatures: 30-33°C ➤ Light and gentle breeze throughout the week with no precipitation forecast.
Mazabuka	<ul style="list-style-type: none"> ➤ Clear sunny skies throughout the week. ➤ Average Temperatures: 30-35°C. ➤ Light and gentle to moderate breeze throughout the week with no precipitation
Choma	<ul style="list-style-type: none"> ➤ 19th & 23rd are expected to be fairly cloudy, 24th partly cloudy and clear, sunny skies for the rest of the week. ➤ Average Temperatures: 28-33°C ➤ Light & gentle breeze throughout the week with no precipitation.

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:

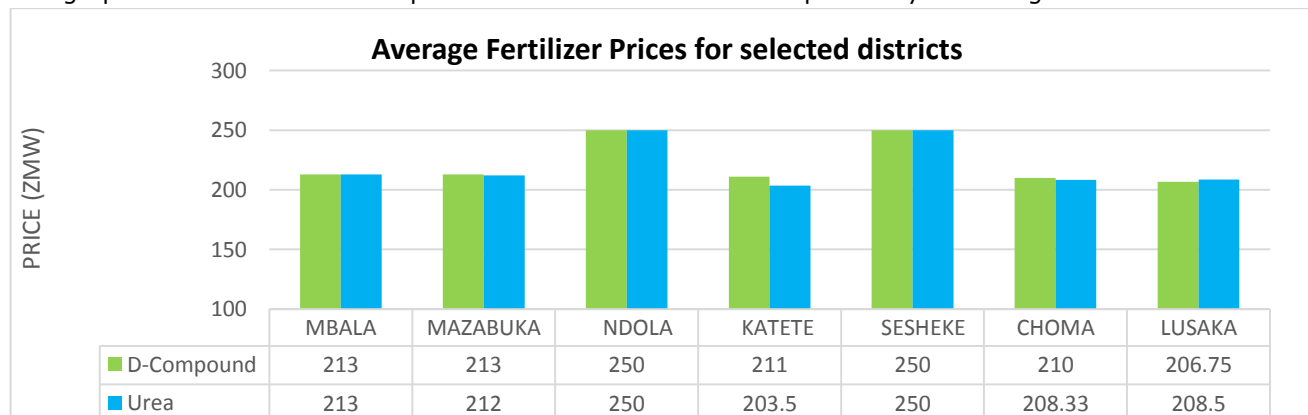
Exchange rate :USD 1= K6.4																		
Prices as at 17th October , 2014/ per metric ton																		
	Mbala		Mansa		Lusaka		Mazabuka		Sesheke		Choma		Kabwe		Mkushi		Ndola/Kitwe	
	K	USD	K	USD	K	USD	K	USD	K	USD	K	USD	K	USD	K	USD	K	USD
White Maize	1000	156	1100	172	1350	211	1200	188	1100	172	1200	188	1200	188	1000	156	1100	172
Wheat		0		0	2700	422	2400	375		0	2500	391	2650	414	2650	414		0
Soybeans	2000	313		0	2800	438	2500	391	2100	328	2500	391	2500	391	2000	313	2600	406
Sunflower		0		0	2200	344	1000	156	1500	234	1500	234	1500	234	1800	281	1800	281

AFGRI 2015 SOYA BEANS BUYING PRICE 20-25 October 2014

<i>Depot</i>	<i>USD Price per metric tonne</i>
Lusaka	\$ 425
Kabwe	\$410
Mpongwe	\$410
Mkushi	\$400
Choma	\$390
Kalomo	\$390
Petauke/Chama	\$390
Katete	\$390

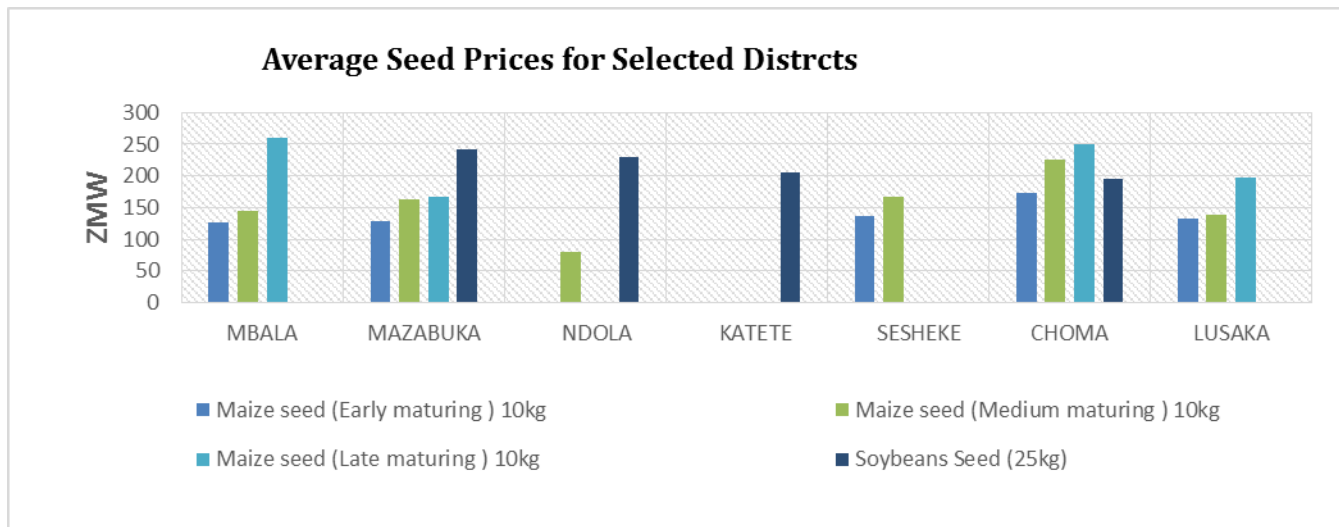
Fertilizer

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



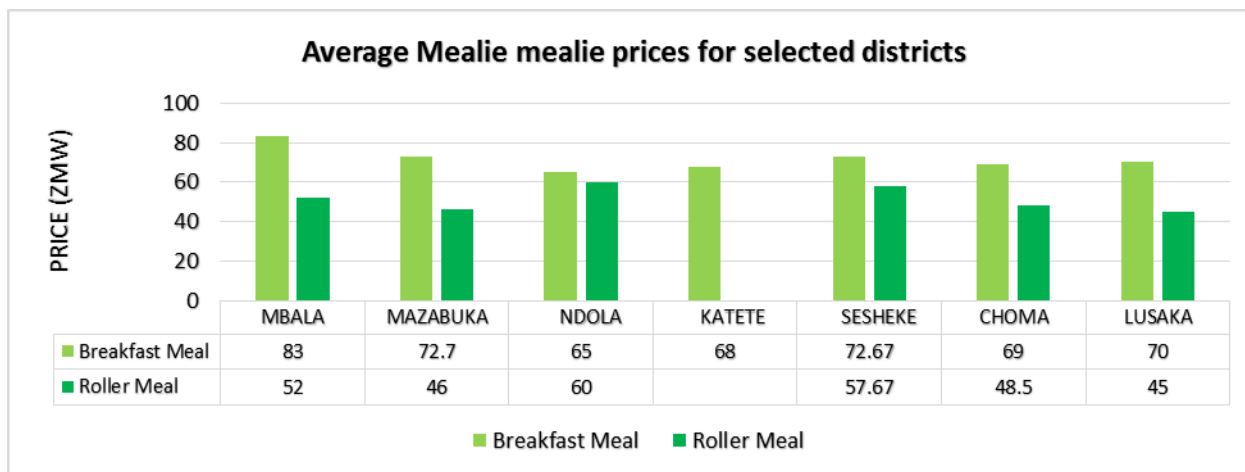
Source: ZNFU Regional Offices

Seed



Source: ZNFU Regional Offices

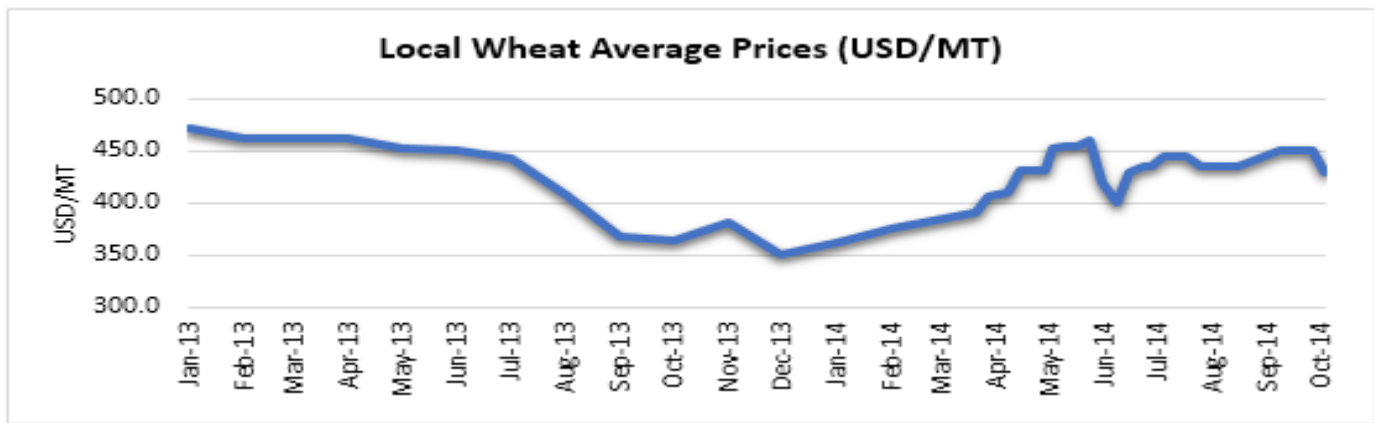
Mealie Meal



Source: ZNFU Regional Offices

WHEAT Highlights

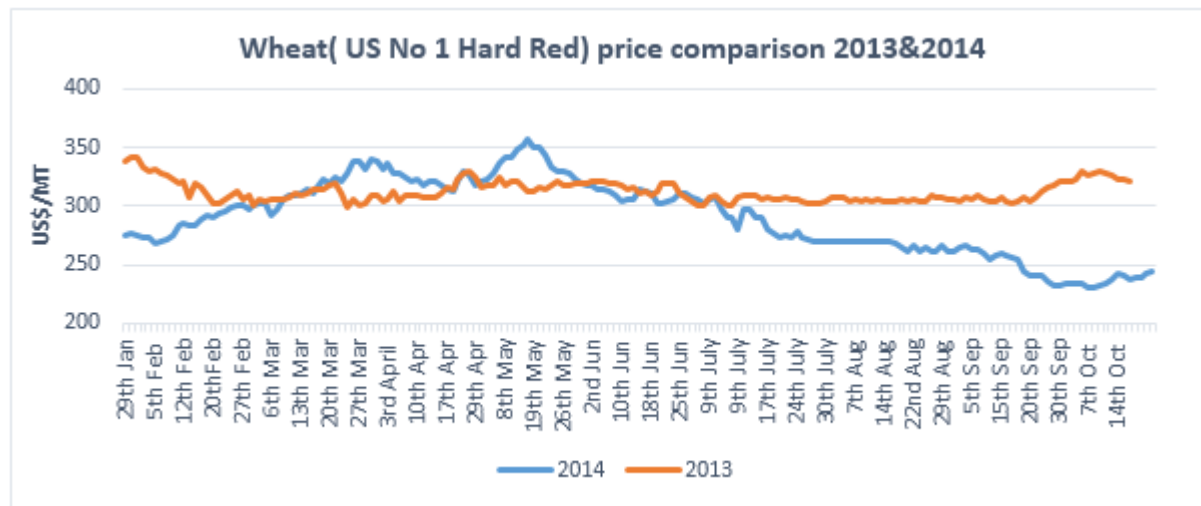
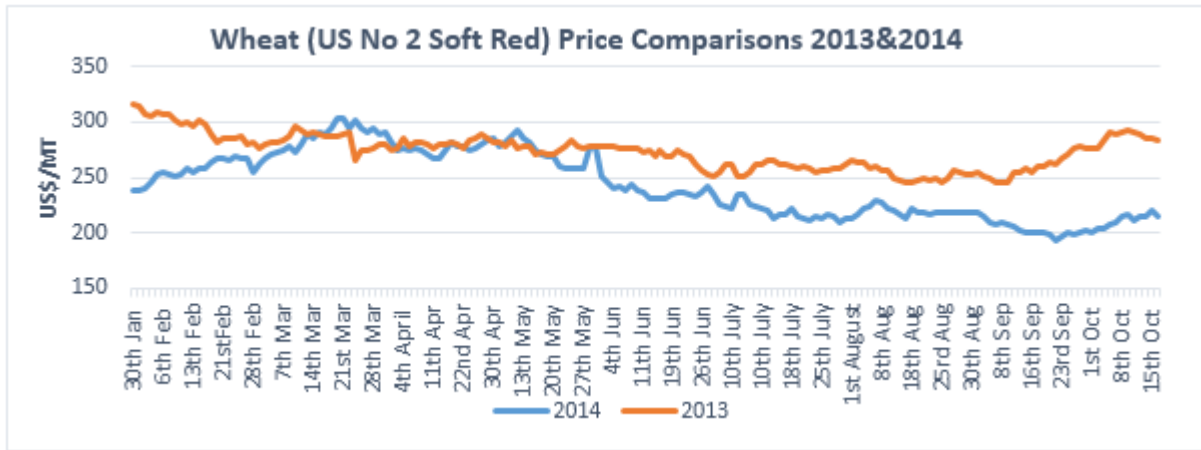
- Zimbabwe is reported to be rapidly running out of wheat stocks with reports of the country holding less than two weeks supply of the cereal. The Herald reports that low uptake of wheat from Mozambique by the National Railways of Zimbabwe (NRZ) had led to the collection of wheat running 30 days behind with about 22 000 metric tonnes of wheat at Beira terminal.
- Zimbabwe is this year projected to increase its wheat output by about 30-40 percent from last year's production of 25,000 tonnes. Wheat harvesting is currently underway with most farmers achieving an average of 4 tonnes per hectare. The government offers 466 US dollars per tonne for wheat.
- The Chicago wheat futures price for delivery in December settled at US\$191/MT on Friday morning 17th 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\$216.21/MT and hard red prices averaged US\$240.65/MT. the two wheat varieties recorded 1.95 percent and 0.96 percent price increments respectively in comparison to the previous week.

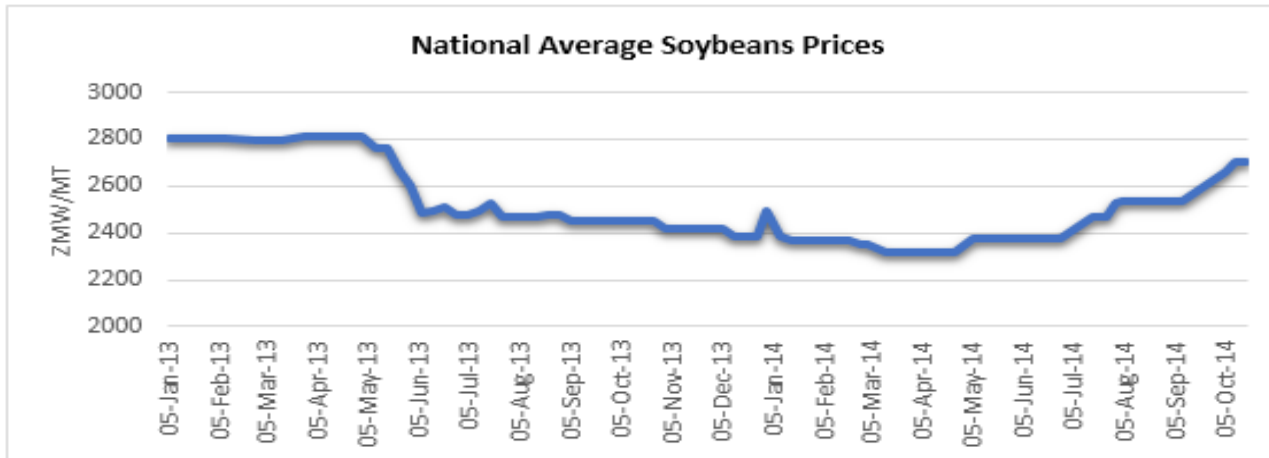


Source: Safex

SOYA BEANS

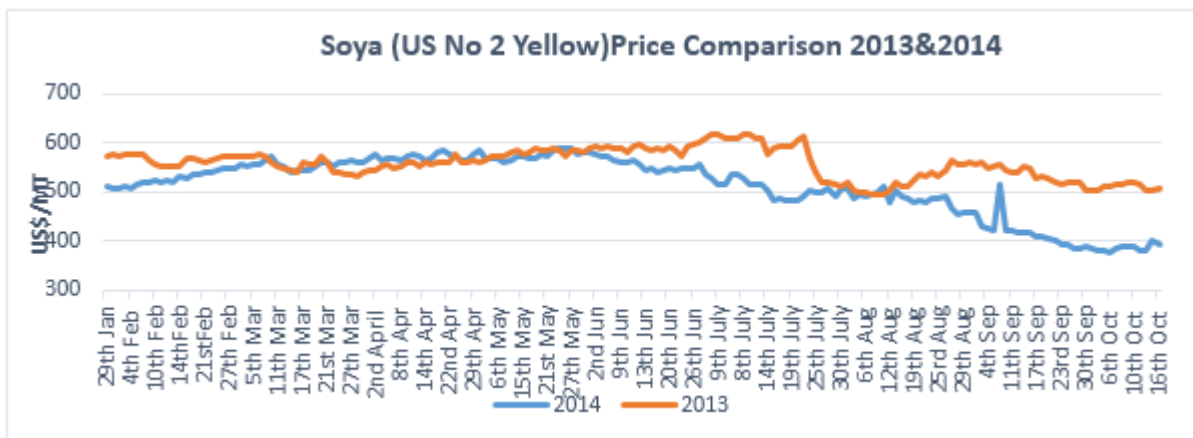
Highlights

- Soybeans plantings in Argentine are forecast to increase despite the slump in international price for the oilseed. Growers will plant a record 21 million hectares of the oilseed when sowings start this month, reports the US Department of Agriculture in Buenos Aires. The forecast is 1m hectares above the 20m hectares or so planted last season.
- The Chicago soybeans futures price for delivery in November settled at US\$355/MT on Friday morning 17th Oct.
- On the Zambian market, soybeans prices are in the range of K2-2.8/kg .The graph below show price trends.



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\$389.02/MT, a slight pickup from the previous' week's average price of US\$385.23/MT. all prices are fob gulf.



Source: Safex

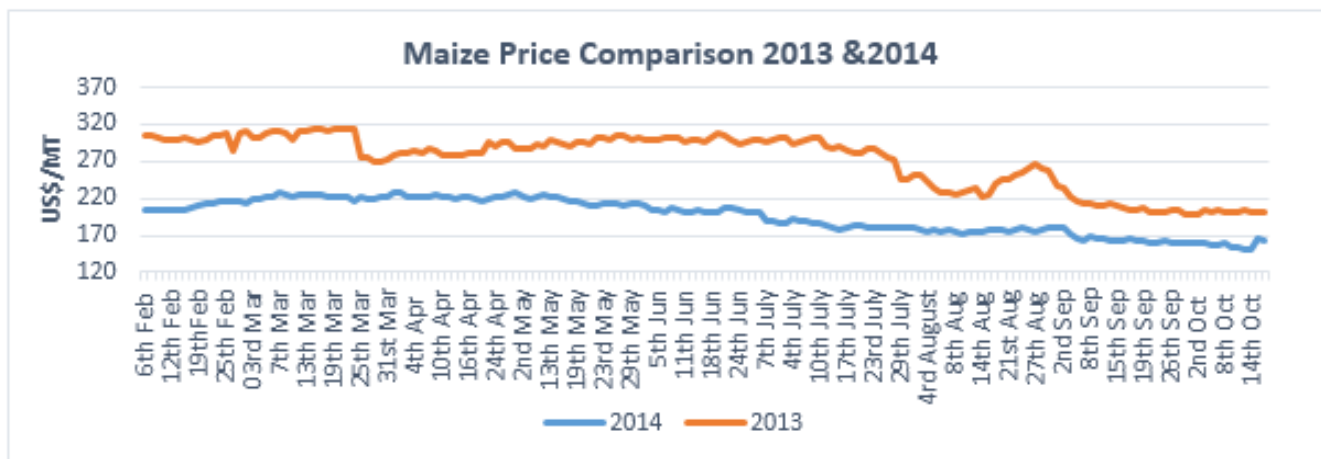
Maize Highlights

- Hundreds of acres of maize crop have been destroyed by Maize Lethal Necrosis (MLN) disease in Kenya's Rift Valley, Central, Western and Eastern regions. All Africa reports that more than 30,000 acres of maize have been destroyed as the disease continues to spread with experts warning that crop production could decline by 60 per cent.

- Meanwhile, the Tanzanian government has authorized its National Food Reserve Agency (NFRA) to borrow Tsh20 billion (\$11.93 million) from CRDB bank to facilitate for the purchase of part of the bumper maize harvest stuck with farmers. Tanzania is poised to harvest 500 million metric tons while the government through NFRA can only currently buy 300,000 metric tons.
- The Chicago maize futures price for delivery in December settled at US\$139/MT on Friday morning 17th Oct.
- On the Zambia market, maize farmers have continued to bemoan the limited market for their grain. Maize prices in the previous week ranged between K1-1.4/kg.

Price trends

The average international price on Safex price of US No. 2 Yellow maize for last week settled at US\$157.21/ton, up 0.48 percent from the previous week. All prices are fob gulf.

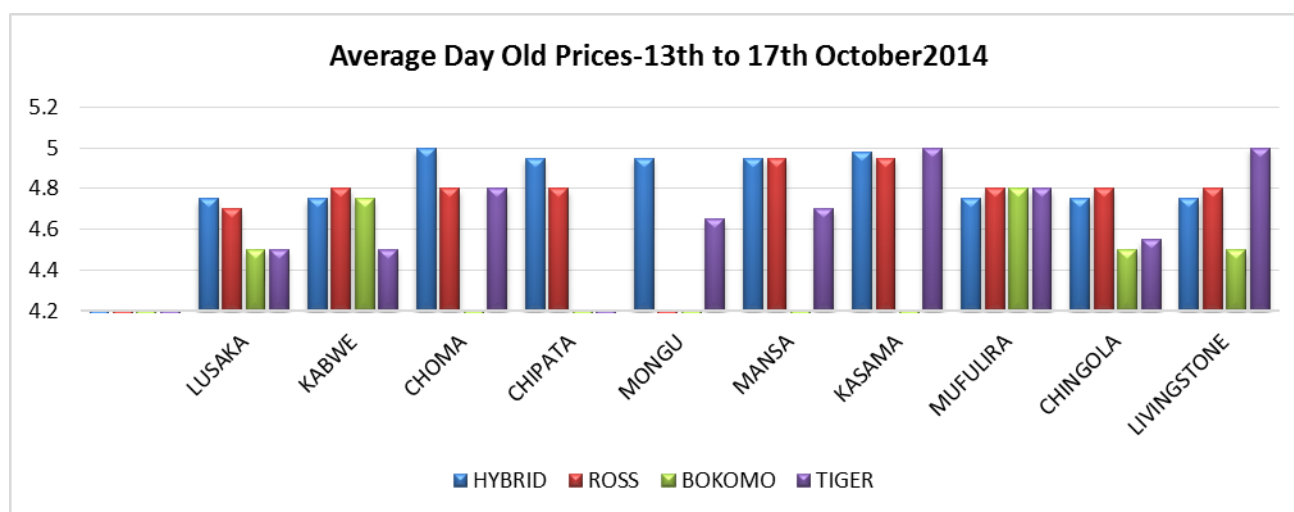


- On the Namibian market, weaners and heifers were auctioning for about R17.96/Kg and R17.78/kg respectively as at 10th September 2014. Meanwhile Class A1 beef in abattoirs was going for about R32-33.97/Kg on 13th September 2014.
- According to the South Africa Feedlot Association, grain fed beef carcass cost ZAR32.85/Kg while live animal cost ZAR19.90/Kg on average in the week ending 5th October 2014.
- Local beef prices were still trading in the range of ZMK14-27/kg, dressed weight, during the week ending 18th 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 opened trading on 20th October 2014 at 165.20 cents/ pound (≈US\$3.63/kg).

POULTRY

AVERAGE DAY OLD CHICK PRICES

The graph below shows average prices of day old chicks for selected towns. The graph shows that the lowest price charged for day old chicks in Zambia is ZMW4.5 and the highest price being charged is ZMW5. Price differences are due to distances from the hatchery.

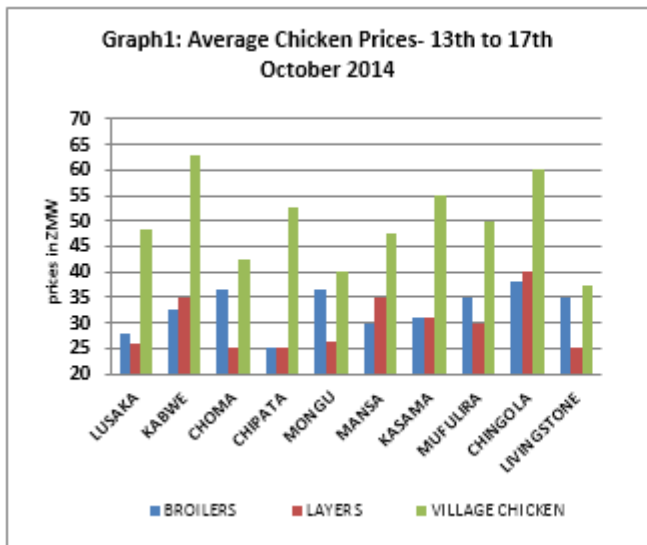


Source: Poultry Association of Zambia

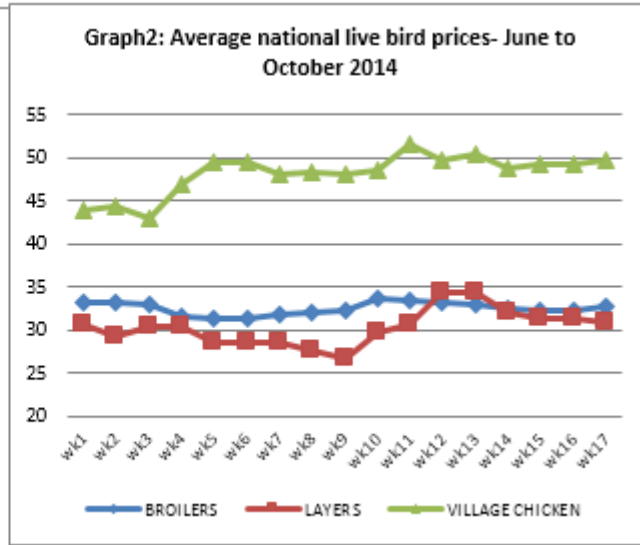
AVERAGE LIVE BIRDS PRICES

Graph 1 below shows the average live bird prices in Lusaka, Choma, Kabwe, Chipata, Mongu, Mansa, Mufulira, Chingola and Livingstone for the week ending 17th October 2014. Prices have been stable in most towns indicating stable supply in most markets. However, Choma has registered an increase in the price of broiler live birds from ZMW32.50 to ZMW36.50, representing a 12% price increase. This price increase has been caused by reduced supply of live broiler birds in Choma. The price of layers in Livingstone has reduced from ZMW30 to ZMW25 representing a 17% price reduction while the price of village chicken in Mongu has increased from ZMW36.5 to ZMW40 representing a 10% price increase. Prices of live birds in the rest of the towns have remained static.

Graph 2 on the other hand shows the national average price trends for broilers, layers and village chickens. While the average price of village chickens has continued to be significantly higher than that of broilers and layers, the price of layers which had gone above that of broilers in week 12 and 13 is now below that of broilers. The price of layers has declined from ZMW34.44 in week 13 to ZMW30.83 in week 17. The price of village chickens has been relatively stable during the past two weeks averaging ZMW 49.63 per bird.



Source: Poultry Association of Zambia

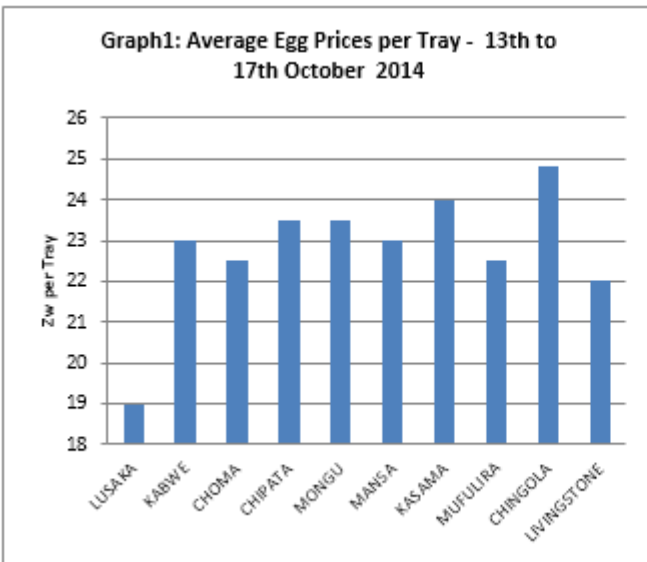


Source: Poultry Association of Zambia

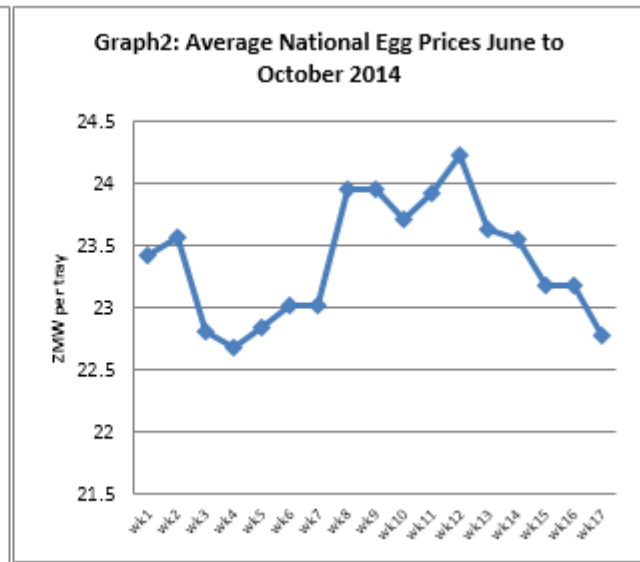
AVERAGE EGG PRICES

Graph1 below shows average retail prices of table eggs in selected provincial centres around the country. Prices have been stable in most towns except for Choma and Mongu where prices have reduced from ZMK23/tray to ZMK22.5/tray in Choma and from ZMK24 to ZMK25 per tray in Mongu, each representing 2% price reduction. Average egg prices are lowest in Lusaka where they are ZMW19 and highest in Chingola where the average price is ZMK24.83 per tray.

Graph 2 shows the price trend for a tray of eggs over a period of four months from mid-June to October 2014. The graph shows that egg price have declined steadily since week 11 when the price was ZMW26.5 to a national average of ZMW22.78 in week17. The downward trend in the prices is as a result of new birds coming into the market producing mostly smaller eggs which are costing slightly lower compared to the cost of larger eggs. The second factor is that there are new entrants into the egg industry mostly the small and medium scale farmers. During the celebration of the world egg day last week on Thursday whose theme was "**crack an egg and help crack world hunger**" it was noted that per capita consumption of table eggs in Zambia is still very low compared to other countries and yet eggs are the cheapest sources of proteins.



Source: Poultry Association of Zambia

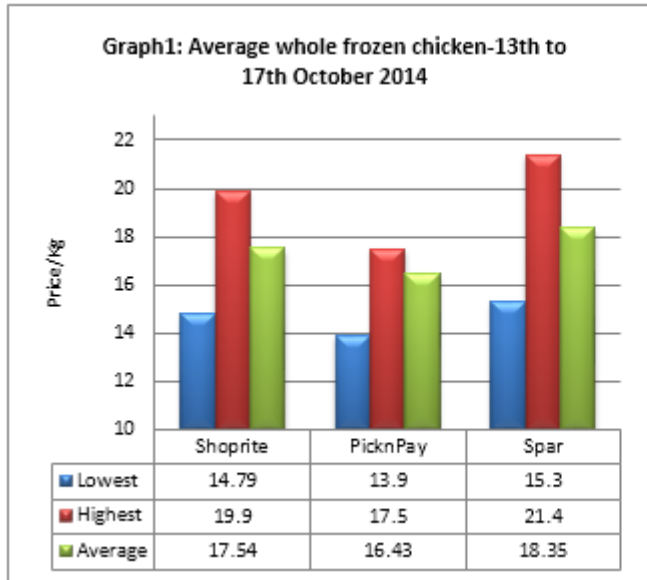


Source: Poultry Association of Zambia

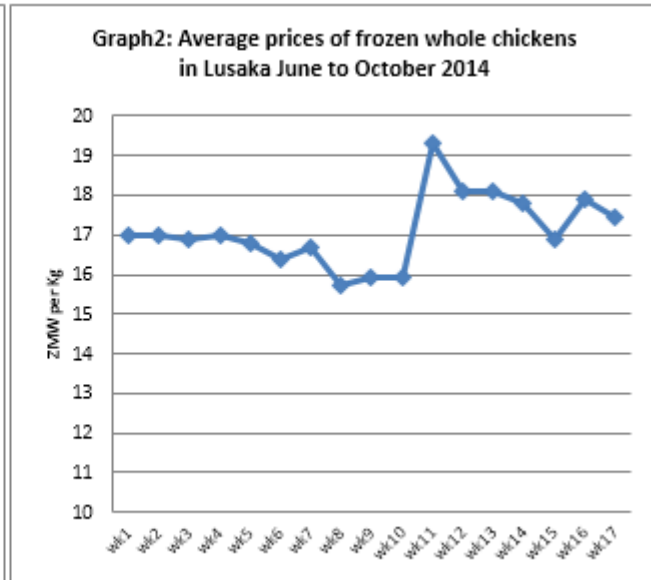
AVERAGE WHOLE DRESSED CHICKEN PRICES

Graph1 below shows average prices of whole frozen chickens in the three chain stores around in Lusaka. Pick n' Pay has the lowest average price of frozen chicken at ZMW16.43 with the lowest priced going for ZMW13.99 and the highest priced selling at ZMW17.50. Pick n' Pay was also running a promotion on some brands of frozen chickens. The average of frozen chicken in Spar was ZMW18.35 with the highest priced chicken going for ZMW21.40/Kg and the lowest priced going for ZMW15.30/Kg. The average price in Shoprite was still ZMW17.54/Kg with the lowest priced chicken going for ZMW14.79/Kg and the highest priced going for ZMW19.90/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 had been declining for a continuous period of 4 weeks since week 11 rose slightly to an average of ZMW17.89/kg in week 16 before slightly dropping to an average ZMW17.44 in week 17.



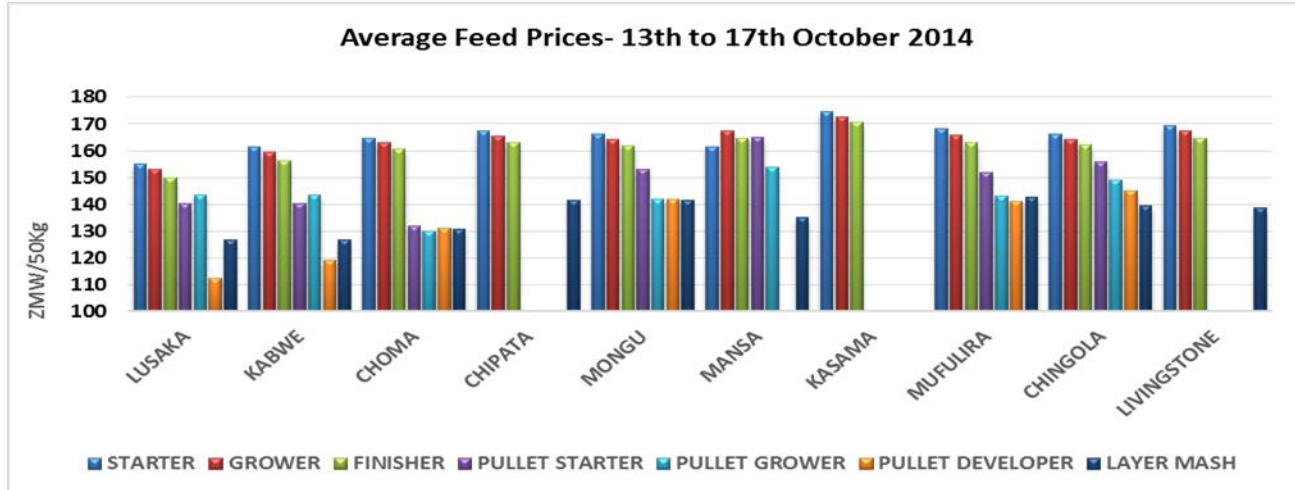
Source: Poultry Association of Zambia



Source: Poultry Association of Zambia

AVERAGE FEED PRICES

The average feed prices have remained relatively stable over the past four 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 was posting the highest prices for all broiler feeds. The graph further shows that pullet feeds were generally lower than broiler feeds. No price statistics for pullet feeds had 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
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