



THE WEEKLY AGRO WATCH



Zambia National Farmers' Union, Farmers Village, Showgrounds P.O Box 30395 Tel 260-1-252649 Fax: 260-1-252648 E-mail: znfu@zamnet.zm web: www.znfu.org.zm

3rd November, 2014 Vol. 39

Industry Update

DAZ Monitoring Dairy Products with GMO and rBST Traces

The Dairy Association of Zambia (DAZ) is engaged in a number meetings with key institutions such as the CCPC, National Biosafety Authority and Central veterinary Research Institute with an aim of ensuring that dairy products on the markets do not contain traces of genetically modified material. DAZ is currently engaging the National Biosafety Authority to ascertain the amount of GMO traces in chain shops brands suspected to be products of animals fed on GMO feed. At the same time, DAZ is working with Central Veterinary research institute to test for hormones (rBST) in imported milk products.

Exchange Rates

The demise of the Republican president saw increased volatility in the kwacha over the last week with the local unit almost bridging the US\$6.5/ZMK mark. The pressure on the kwacha however eased off as anxiety over the political stability of the nation reduced. The local unit however still remains volatile as we edge towards the end of the year and interests are gaining moment on what happens in the economy until a new President is sworn in. The following are foreign exchange rates compiled from various banks:

CURRENCY	03/11/2014						27/10/2014					
	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 (FNB)	6.28	6.41	0.57	0.58	10.04	10.24	6.3	6.43	0.58	0.59	10.14	10.35
Standard Chartered Bank	6.21	6.33	0.56	0.57	9.91	10.12	6.31	6.44	0.58	0.59	10.16	10.36
ZANACO	6.21	6.33	0.56	0.57	9.86	10.12	6.31	6.43	0.57	0.59	10.11	10.37
Bank of Zambia (BOZ)interbank	6.31	6.33	0.527	0.574	10.10	10.14	6.35	6.37	0.581	0.583	10.23	10.26

Import Parity Prices

The following import parity prices were compiled by ZNFU as at 3rd November, 2014.

Domestic Import Parity Prices as at 03/11/2014					
		US\$/ZAR=10.86	US\$/ZMK=6.44		
Parity Prices		U\$/ZMK	Maize	Soya	Wheat
Lusaka		6.44	392.08	705.22	492
Town	ZMK	\$	\$	\$	\$
Chipata	275	42.70	434.78	747.92	534.70
Mkushi	225	34.94	427.02	740.16	526.94
Ndola	250	38.82	430.90	744.04	530.82
Kitwe	250	38.82	430.90	744.04	530.82

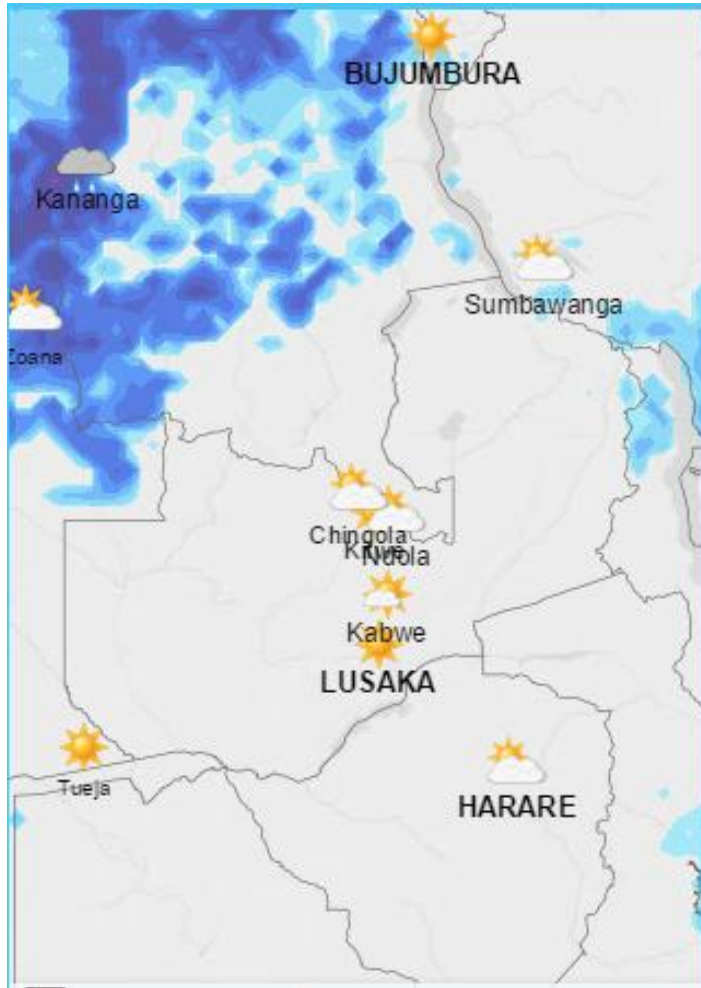
Export Parity Prices (Harare Lusaka)

The following export parity prices were compiled by ZNFU as at 3rd November, 2014.

Export Parity Price (EPP)Harare-Lusaka	
Soya Beans	486
Wheat	394
Maize	320

Weather Update

The table summarizes the weather forecast for some selected towns for the period 4th October to 10th November 2014.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Partly cloudy skies anticipated for the 4th & 8th. The 5th, 6th & 9th are expected to have clear sunny skies with the 10th being fairly cloudy. 0.7mm of rainfall is forecast for the 7th. ➤ Average Temperatures: 30-34°C
Mkushi	<ul style="list-style-type: none"> ➤ The 4th & 10th are expected to be fairly cloudy with clear, sunny skies forecast for the rest of the week ➤ No precipitation ➤ Average Temperatures: 30-33°C

Kabwe	<ul style="list-style-type: none"> ➤ Clear, sunny skies are forecast for the whole week with the 4th being fairly cloudy. ➤ No precipitation. ➤ Average Temperatures: 30-34°C
Lusaka	<ul style="list-style-type: none"> ➤ Clear sunny skies expected throughout the week save for the 4th & 6th when it's forecast to be fairly cloudy and the 5th to be partly cloudy. ➤ Average Temperatures: 29-33°C
Mazabuka	<ul style="list-style-type: none"> ➤ The 4th to 6th are anticipated to be fairly cloudy with clear sunny skies the rest of the week ➤ Average Temperatures: 32-35°C. ➤ No rainfall forecast
Choma	<ul style="list-style-type: none"> ➤ 4th & 5th to be fairly cloudy, 6th partly cloudy and the rest of the week forecast to have clear sunny skies. ➤ Average Temperatures: 29-32°C ➤ No precipitation expected.
Livingstone	<ul style="list-style-type: none"> ➤ 4th & 7th fairly cloudy, 8th & 9th clear sunny skies and the rest of the week partly cloudy. ➤ Average Temperatures: 34-36°C ➤ No precipitation expected.
Mongu	<ul style="list-style-type: none"> ➤ Partly cloudy skies expected throughout the week except for the 6th & 9th when it will be fairly cloudy. ➤ Average Temperatures: 32-38°C. ➤ No rainfall forecast
Mansa	<ul style="list-style-type: none"> ➤ Clear sunny skies forecast on the 5th & 7th with cloudy skies the rest of the week. ➤ Average Temperatures: 30-34°C. ➤ No rainfall forecast
Kasama	<ul style="list-style-type: none"> ➤ 7th forecast to be sunny with the rest of the week being cloudy and showers expected on the 9th and 10th. ➤ Average Temperatures: 30-32°C. ➤
Solwezi	<ul style="list-style-type: none"> ➤ 4th, 5th and 7th will be fairly cloudy with rest of the week forecast to be partly cloudy. ➤ Average Temperatures: 27-34°C. ➤ No rainfall forecast
Chipata	<ul style="list-style-type: none"> ➤ Showers are forecast for the 7th & 9th, rainfall on the 10th with partly cloudy skies the rest of the week. ➤ Average Temperatures: 28-32°C.

Source: Norway meteorological Institute

LOCAL COMMODITY HIGHLIGHTS

Grains

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

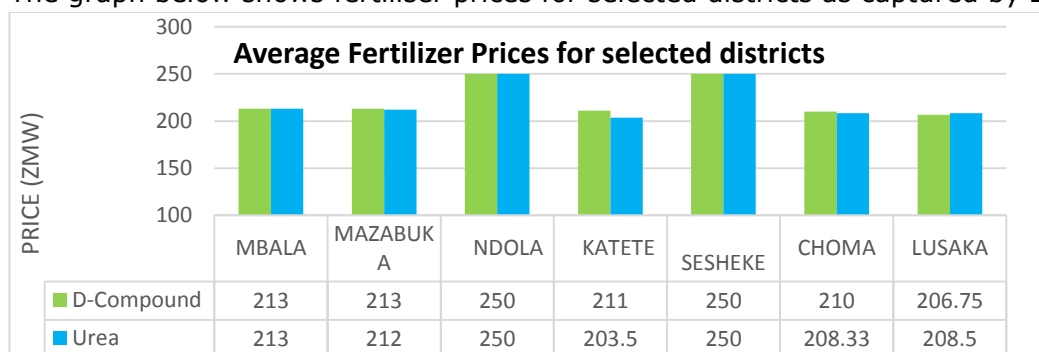
Exchange rate :USD 1= K6.33																					
Prices as at 3rd November,2014/ per metric ton																					
	Mbala		Mansa		Lusaka		Mazabuka		Sesheke		Choma		Kabwe		Mkushi		Ndola/Kitwe		Kaoma		
	K	USD	K	USD	K	USD	K	USD	K	USD	K	USD	K	USD	K	USD	K	USD	K		
White Maize	1000	158	1100	174	1350	213	1200	190	1100	174	1200	190	1200	190	1200	190	1200	190	1200	190	174
Wheat		0		0	2750	434	2400	379		0	2500	395	2600	411	2600	411	2550	403			
Soybeans	2000	316		0	2800	442	2700	427	2100	332	2700	427	2800	442	2800	442	2800	442			
Sunflower		0		0	2000	316	1800	284		0	1800	284	2000	316	1800	284	1800	284			

AFGRI 2015 SOYA BEANS BUYING PRICE (3-8 November 2014)

Depot	USD Price per metric tonne
Lusaka	\$ 435
Kabwe	\$420
Mpongwe	\$420
Mkushi	\$410
Choma	\$400
Kalomo	\$400
Petauke/Juma	\$400
Katete	\$400

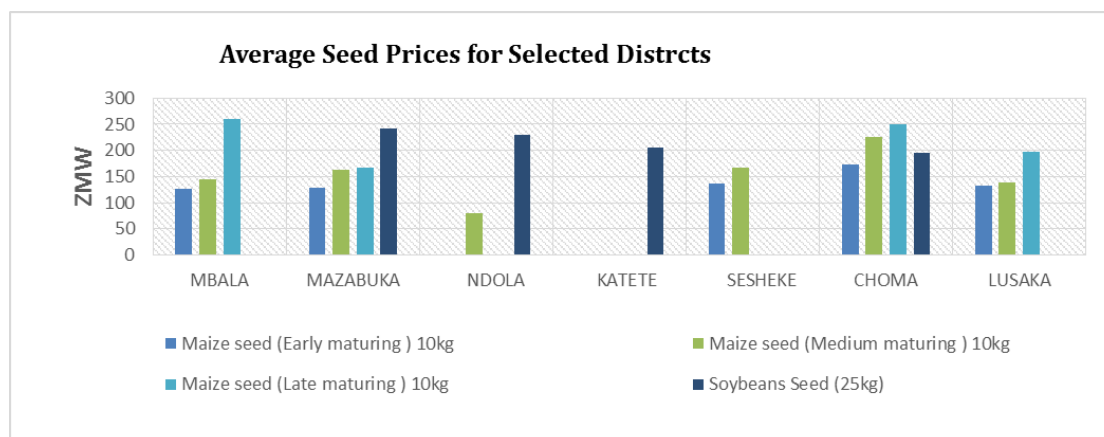
Fertilizer

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



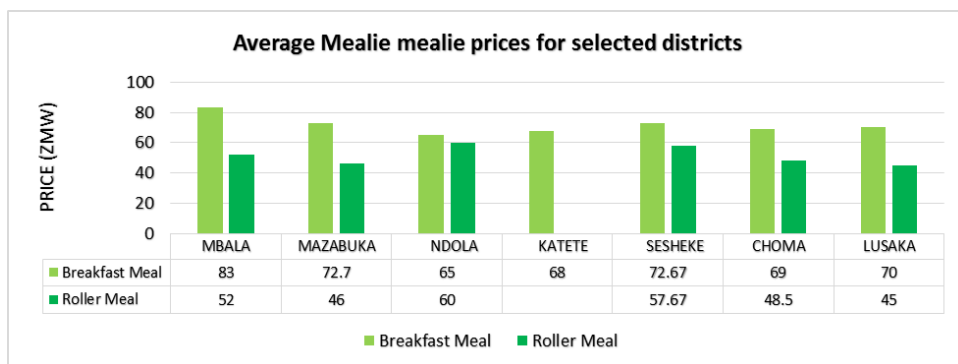
Source: ZNFU Regional Offices

Seed



Source: ZNFU Regional Offices

Mealie Meal

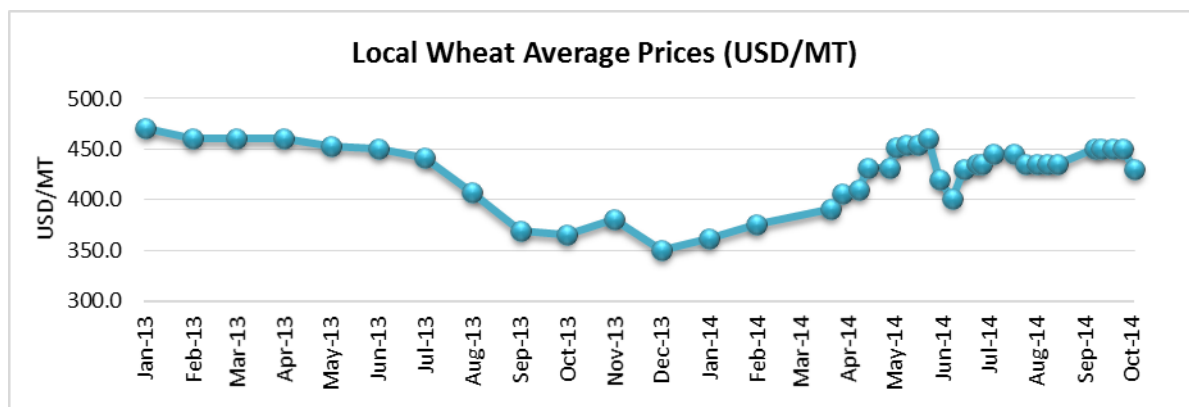


Source: ZNFU Regional Offices

WHEAT

Highlights

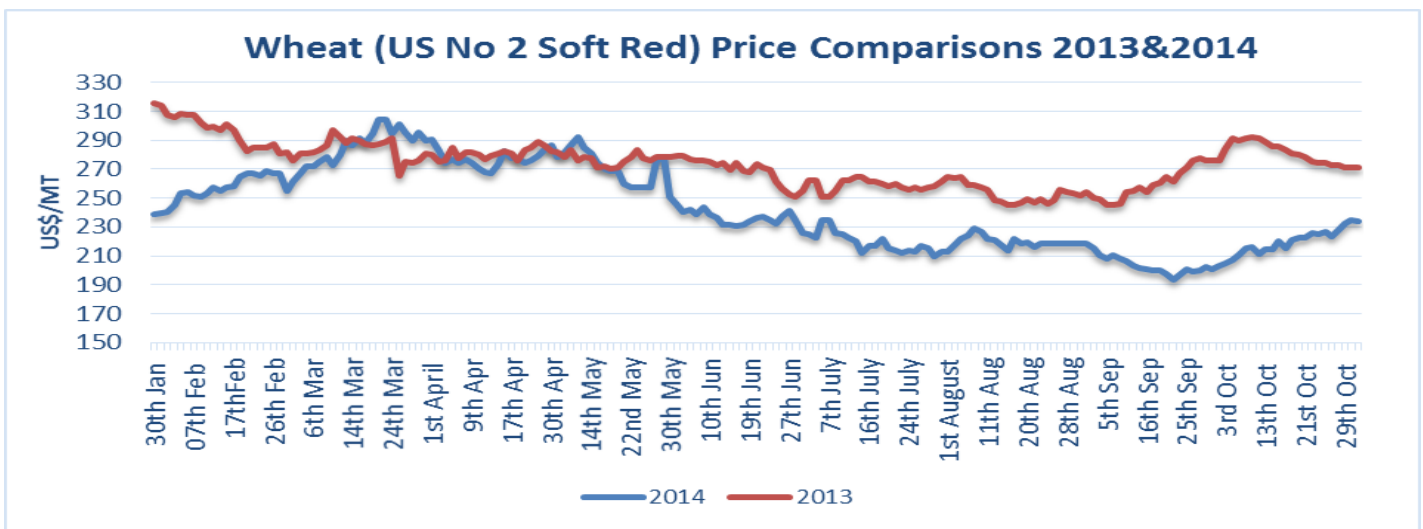
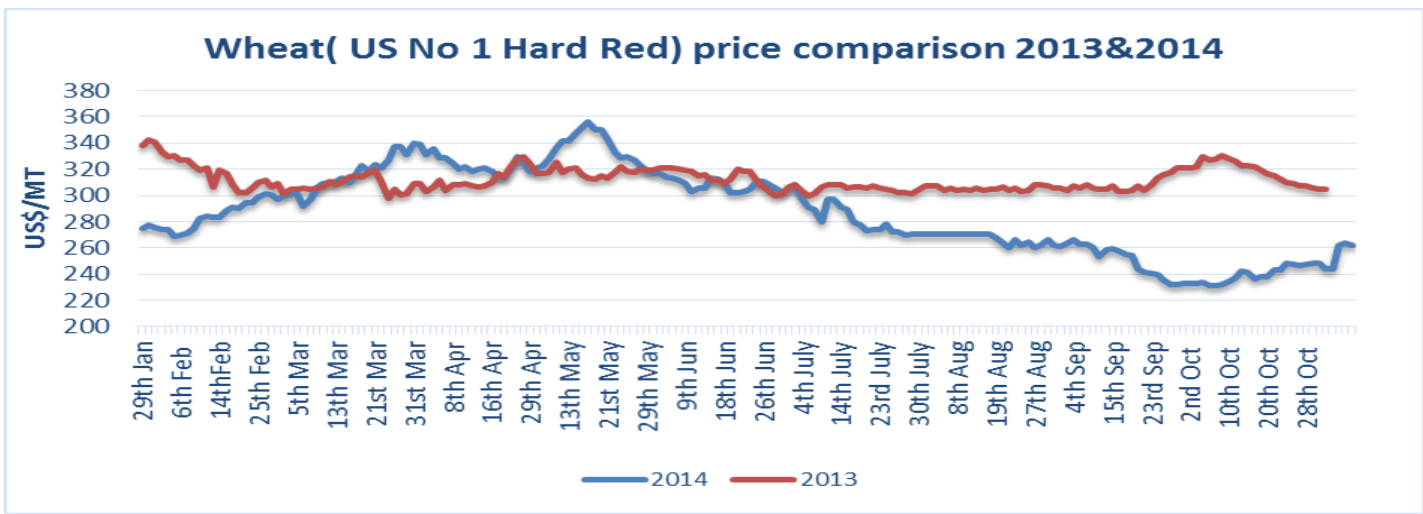
- The Pakistan Economic Coordination Committee of the Cabinet on Thursday last week decided to levy 20 per cent regulatory duty on the import of wheat due to the escalating trend of wheat imports despite a very good crop at home.
- Global wheat production during the 2014-15 crop year will probably hit 718 million metric tons, according to the London-based International Grains Council, revising higher its previous estimate by 1 million tons.
- The Chicago maize futures price for delivery in December settled at US\$194/MT Monday 3rd Nov.
- Wheat prices on the local market have continued their bearish trend and are in the range of US\$430-435/MT. The graph below shows local wheat price trends;



Source: ZNFU 4455 market price information system

Price trends

The Safex international soft red wheat price for last week settled at US\$228.89/MT on average and hard red prices averaged US\$252.33/MT.

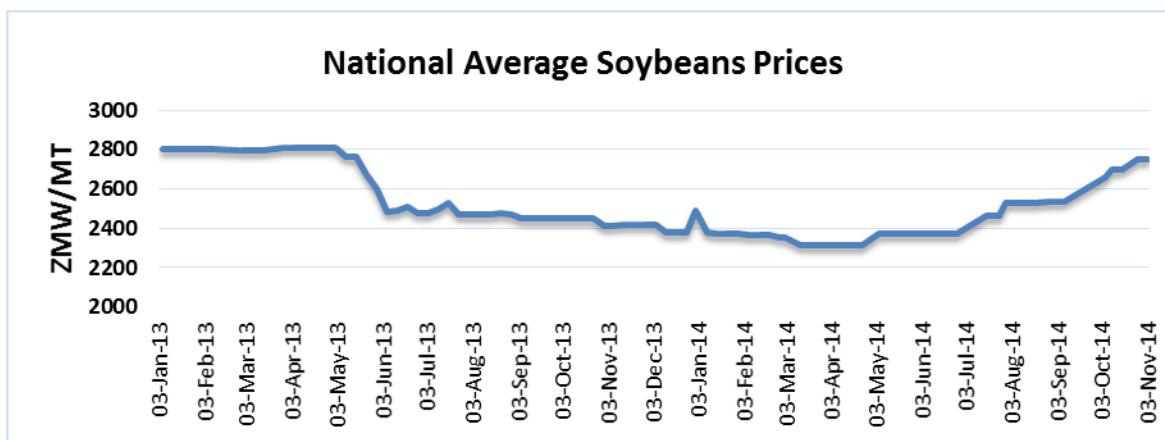


Source: Safex

SOYA BEANS

Highlights

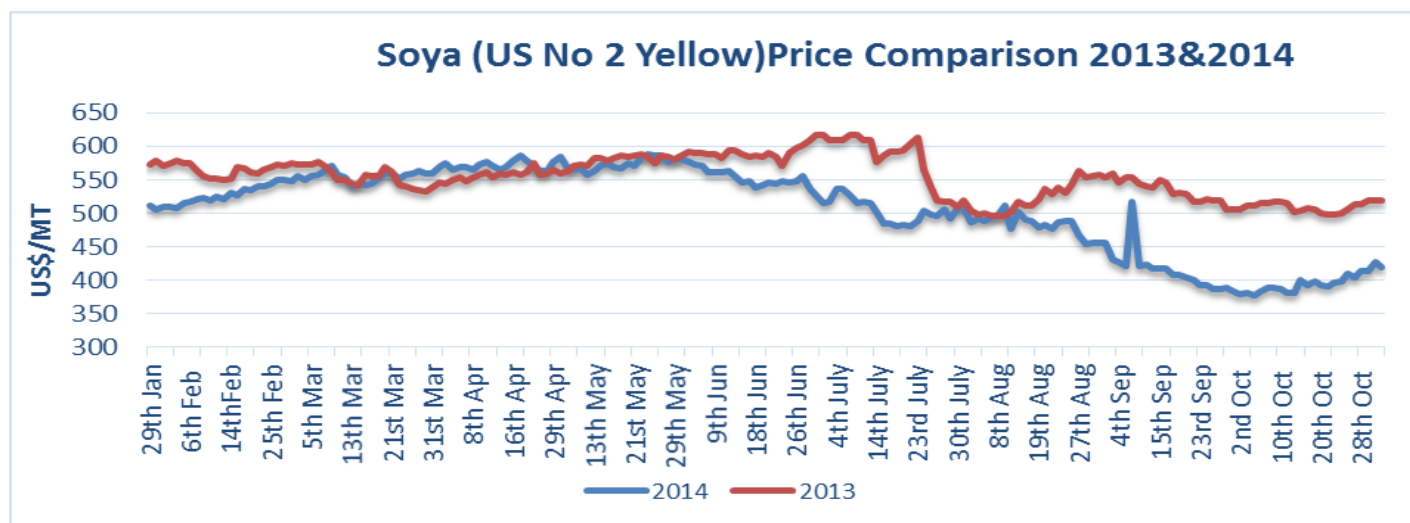
- The International Grains Council in their latest Grain market report cut to 307 million tonnes their estimate for 2014/15 global soybeans production from last month's forecast of 310 million tons. The crop will rise from 284 million tons recorded in 2013/14.
- US soybean futures have been on an upward trajectory since late September, supported by delays to the US harvest and growing concerns about planting conditions in Brazil. On 3rd Nov 2014, US soybean futures (Nov-14) settled at US\$382/Mt.
- Locally, soybeans prices have begun to gradually increase as stocks of the oilseed reaching the market weaken and are in the range of K2-3.0/kg. The graph below show price trends;



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\$413.278/MT. all prices are fob gulf.



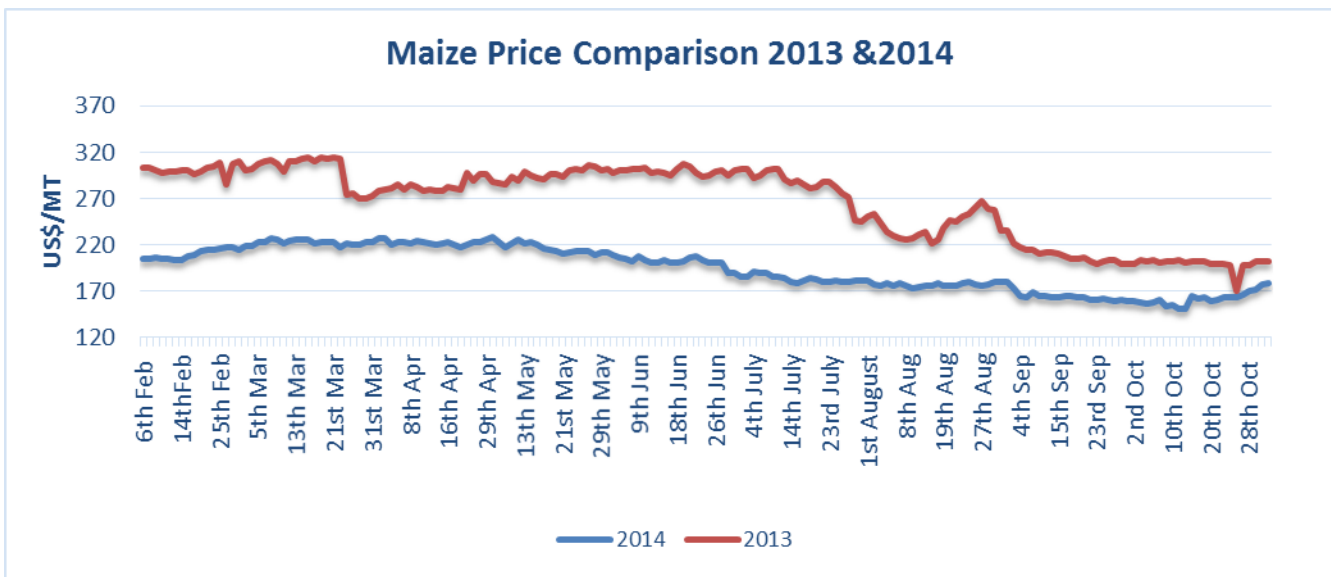
Source: Safex

Maize Highlights

- Seed producers in Zimbabwe have hiked the price of maize seed by about 30%. According to the Herald newspaper, a 25 kilogram bag is now selling at prices between \$68.00 and \$113.00, up from between \$57.00 and \$96.00. A 10 kilogram bag now costs between \$27.50 and \$31.00, up from between \$21.00 and \$24.00 last season.
- The International Grains Council lifted its prediction for maize production during the 2014/15 season to 979.7 million metric tons, higher than last month's forecast of 974.2 million tons.
- The Chicago maize futures price for delivery in December settled at US\$147/MT on Monday 3rd Nov afternoon.
- Locally, maize Prices for the previous week ranged between K1-1.35/Kg.

Price trends

The average international price on Safex price of US No. 2 Yellow maize for last week settled at US\$ 169.61, 4.79 percent above the previous week's price.



Source: Safex

COTTON Highlights

- With international cotton prices plummeting, Turkey has announce an anti-dumping probe into the U.S cotton. The U.S is the third largest producer of cotton in the world and was Turkey’s largest source of cotton imports in 2013. The investigation have a potential to hurt the international demand for U.S cotton.
- In a bid to encourage cotton production and sale, the Egyptian government has allocated almost US\$60 million as direct subsidies to the farmers. The funds are to be allocated against area at a rate of £1,400 per feddan (0.42 hectares) cultivated, including all regions and for all varieties
- Cotton prices on Cotlook settled at 70.00cents/pound (\approx US\$1.55/kg) by end of day on 31st October 2014. CME prices on the other hand settled at US\$0.65/pound (\approx US\$1.42/kg).



Source: CME

BEEF

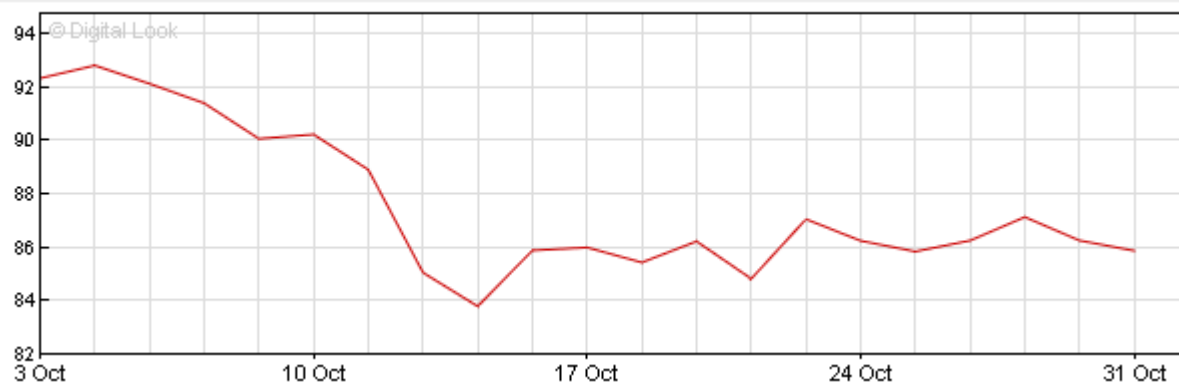
Highlights

- According to global meat News, Russia is exploring possibilities of importing antelope meat from South Africa and Namibia. Indications over the recent past are that Russia is expanding its search of meat suppliers to Southern African states.
- On the Namibian market, weaners and heifers were auctioning for about R18.11/Kg and R17.3/8/kg respectively as at 24th October 2014. Meanwhile Class A1 beef in abattoirs was going for about R32-33.97/Kg on 27th October 2014.
- According to the South Africa Feedlot Association, grain fed beef carcass cost ZAR32.98/Kg while live animal cost ZAR19.31/Kg on average in the week ending 19th October 2014.
- Local beef prices were still trading in the range of ZMK14-27/kg, dressed weight, during the week ending 24th October 2014. The national average price on the ZNFU 4455 price information system was pegged at ZMK18/Kg.
- The cme live cattle prices for December delivery opened trading on 3rd November 2014 at 166.25 cents/pound (\approx US\$3.58/kg).

CRUDE OIL

- Effective 5th November, South Africa has revised downwards its retail prices of petrol and wholesale prices of diesel by 45cents/litre and 60 cents/litre respectively. The country's Department of Energy has based this decision on the 25 percent reduction of oil prices since June 2014 despite the depreciation of the rand value against the dollar by 3.4 percent.
- Zambia's petrol and diesel retail prices have however continued trading at ZMK10.01/litre and ZMK10.63/litre
- Brent crude oil futures prices settled at US\$85.48/barrel on Monday 16:15 CAT while WTI prices were hovering around US\$80.38/barrel.

Brent Crude Oil Futures \$/barrel



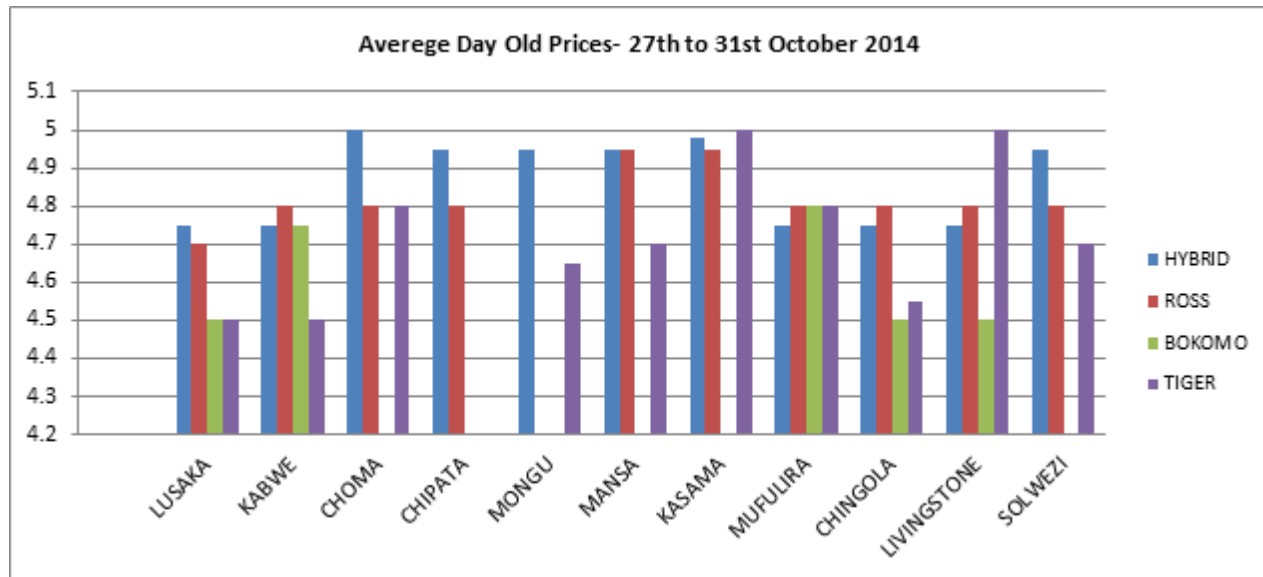
Source: BBC Business, 2014

POULTRY

AVERAGE DAY OLD CHICK PRICES

The graph below shows average prices of day old chicks for selected towns. Prices have remained static indicating that there is sufficient supply on the market. Choma has maintained highest price for Hybrid day old chicks at ZMW5 while Kasama and Livingstone have maintained highest price for Tiger day old chicks also at ZMW5 per chick. Lusaka, Kabwe, Mufulira, Chingola and Livingstone are posting lowest price for Hybrid day old chicks at

ZMW4.75. The lowest price charged for Bokomo day old chicks is ZMW4.5 in Lusaka, Chingola and Livingstone while the highest price for Bokomo day old chicks is ZMW4.8. Ross day old chicks are going for ZMW4.8 in most towns except Lusaka where they are going for ZMW4.7 and in Kasama and Mansa where there are going for ZMW4.95 per chick. The main reason behind price differences is difference in distances from the town being considered and the hatchery supplying the day old chicks.

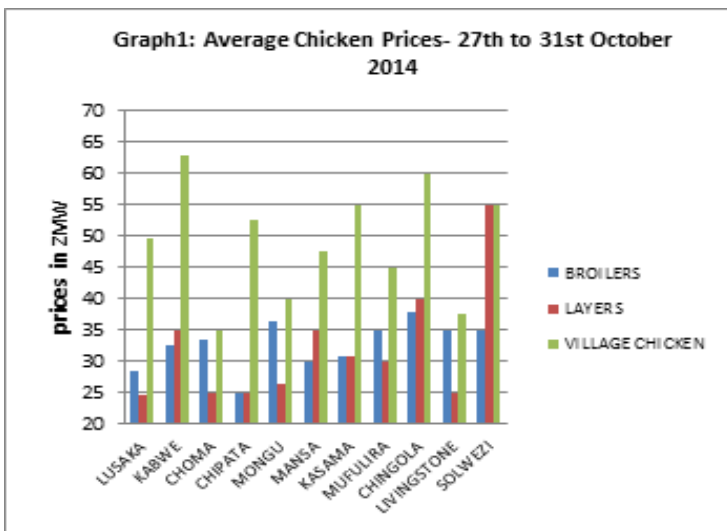


Source: Poultry Association of Zambia

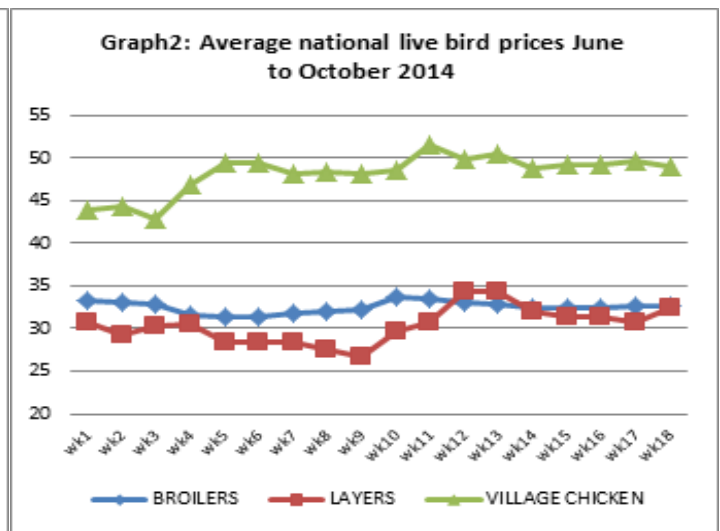
AVERAGE LIVE BIRDS PRICES

Graph 1 below shows the average live bird prices in selected towns in the week ending 31st October 2014. While broiler prices in Lusaka have risen by 2% from ZMW27.92 to ZMW28.50, broiler prices in Choma dropped by 4% from ZMW36.50 to ZMW33.50 per bird. The price of village chicken in Choma dropped from ZMW42.5 to ZMW35 per bird representing 17.6% drop in price. Mufulira also registered a reduction in the price of village chicken from ZMW50 to ZMW45 representing a 10% drop in price. On the other hand the price of village chicken in Lusaka rose by 2.5% from ZMW48.33 to ZMW49.58. No changes were recorded in the price of layers in most towns except for Lusaka where a 4.8% price reduction was experienced from ZMW26 to ZMW24.75 per layer live bird.

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 village chicken has been higher than the price of both broilers and layers. This is mostly due to consumer preferences which raises the demand of village chicken. The graph further shows that after being below the price of broilers for the past four weeks, the price of layers was similar to that of broilers. The price of layers in week 18 (week ending on 31st October 2014) was ZMW32.38 while the price of broilers is ZMW32.72.



Source: Poultry Association of Zambia

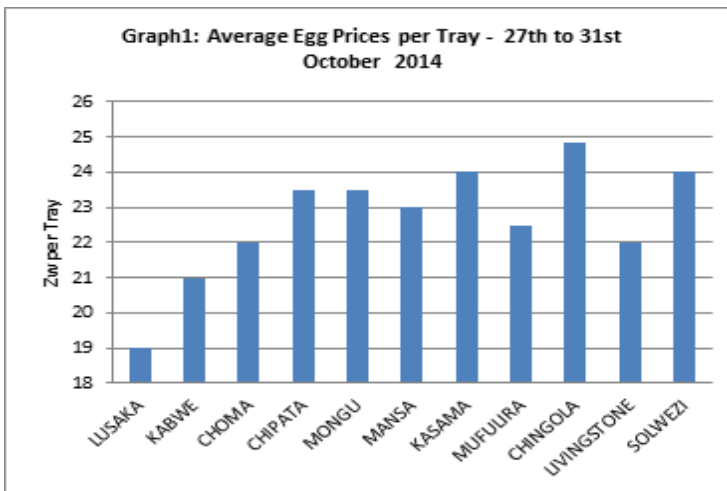


Source: Poultry Association of Zambia

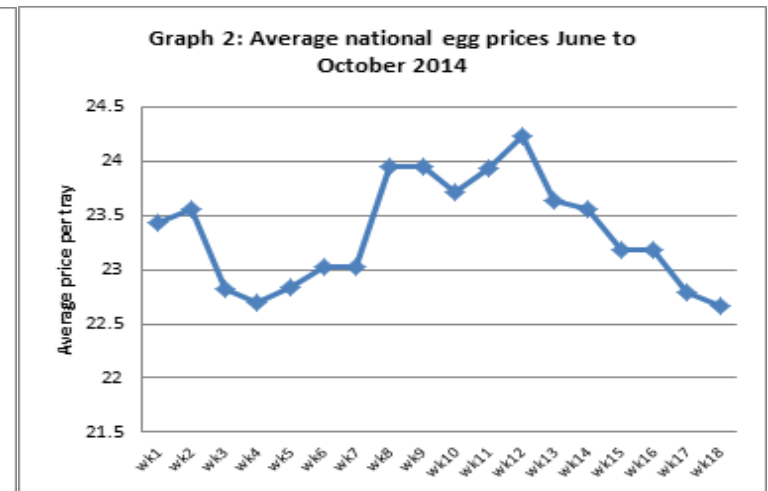
AVERAGE EGG PRICES

Graph1 below shows average retail prices of table eggs in selected provincial centres around the country. The price of eggs in Kabwe has reduced from ZMW23 to ZMW21 representing a 8.7% price reduction while the price in Choma has reduced from ZMW22.5 to ZMW22 representing a 2.2% price reduction. No changes have been registered in the rest of the towns displayed.

Graph 2 shows the price trend for eggs over a period of four months from mid-June to October 2014. The graph shows that since reaching a peak of ZMW24.24 in week 12 average national egg prices have been declining and have dropped to ZMW22.67 in week 18. This reduction has been brought about by increased production caused by favourable temperatures for egg production as well as new entrants into the egg industry who also include farmers that switch from broiler production to egg production. The increased supply of eggs on the market has in turn led to a drop in egg prices.



Source: Poultry Association of Zambia

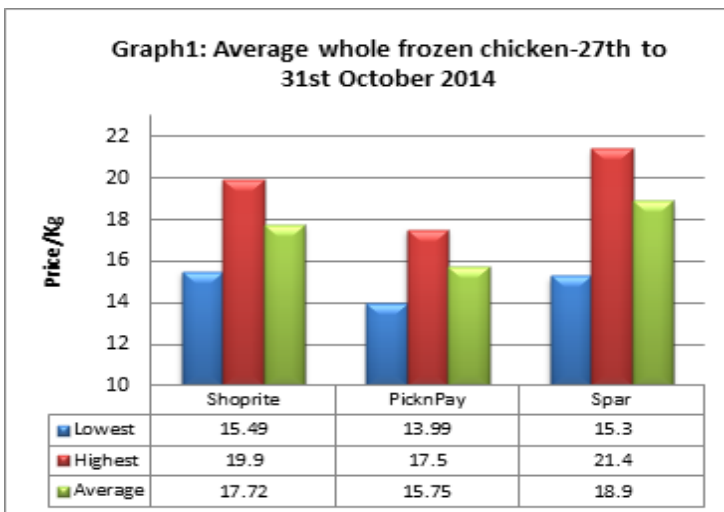


Source: Poultry Association of Zambia

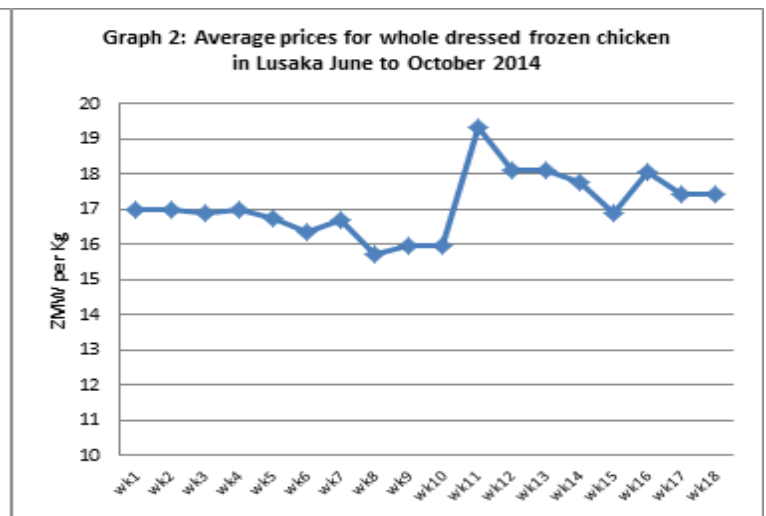
AVERAGE WHOLE DRESSED CHICKEN PRICES

Graph1 below shows average prices of whole frozen chickens in the three chain stores around in Lusaka in the week ending 31st October 2014.

Graph 2 shows the average price trend for whole frozen dressed chicken from June – October 2014. The graph shows that average price of whole dressed frozen chicken which had risen to ZMW18.07/Kg in week 16 from an average of ZMW16.89/Kg in week 15 registered a drop of 3.4% in week 17 and week 18 to ZMW17.46/kg.



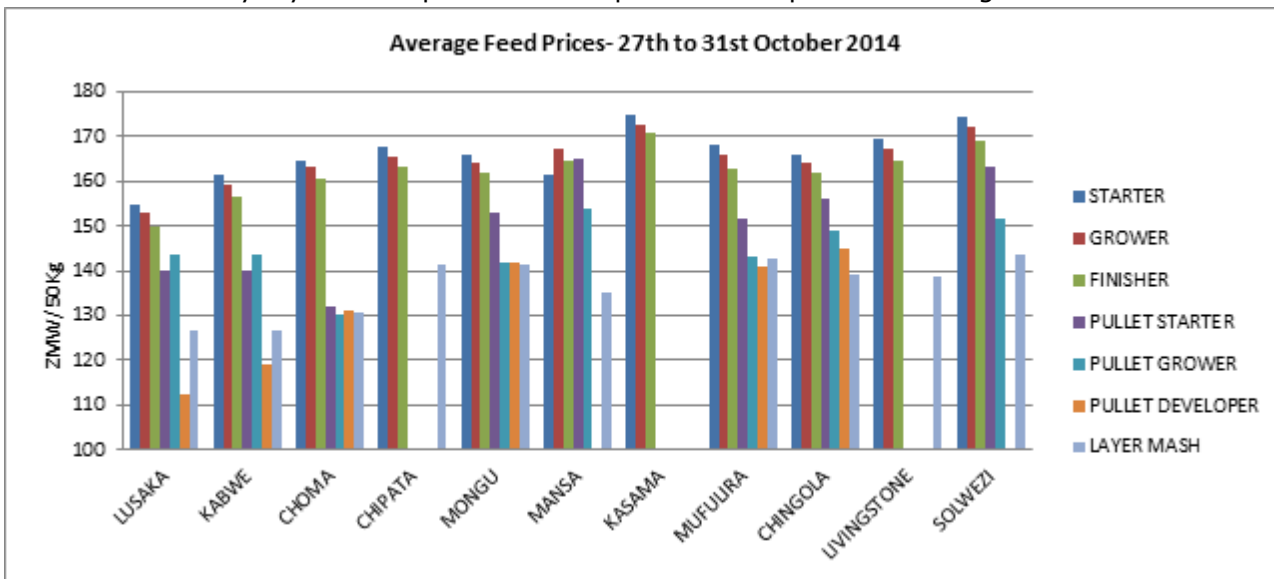
Source: Poultry Association of Zambia



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 and Solwezi have been posting the highest prices for broiler feeds. The graph further shows that pullet feeds have generally been lower than broiler feeds. No price statistics for pullet feeds have been captured for Kasama while only layer mash prices were captured in Chipata and Livingstone.



Source: Poultry Association of Zambia

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