



THE WEEKLY AGRO WATCH



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10th November, 2014 Vol. 39

Industry Update

International Food Prices exhibit Stability

The Food and Agricultural Organization (FAO) food price index averaged 192.3 points in October 2014. This is only 0.2 percent below the September 2014 index. According to FAO, cereal prices remained stable around their relative September values. The rise in prices of vegetable oils, on the other hand, was offset by the decline in prices of dairy and meat.

ASF Controlled in Livingstone

Detection of African swine fever in Pigs at David Livingstone College of Education led to the slaughter of the 121 pigs owned by the institution on 4th November 2014. After the slaughter exercise, the District Veterinary Officer advised the school to only consider re-stocking after 6 weeks and tighten bio-security once new stock was in place. The school Principal and his deputy, the Zambia Police Stock theft Officer, Zambeef, ZNFU and the Ministry of Agriculture and Livestock were present during the slaughter.

Exchange Rates

CURRENCY	10/11/2014						03/11/2014					
	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)	6.32	6.44	0.57	0.58	10.05	10.26	6.28	6.41	0.57	0.58	10.04	10.24
Standard Chartered Bank	6.34	6.46	0.57	0.58	10.08	10.28	6.21	6.33	0.56	0.57	9.91	10.12
ZANACO	6.32	6.44	0.56	0.57	10.00	10.26	6.21	6.33	0.56	0.57	9.86	10.12
Bank of Zambia (BOZ)interbank	6.35	6.37	0.561	0.564	10.04	10.07	6.31	6.33	0.527	0.574	10.10	10.14

Import Parity Prices

The following import parity prices were compiled by ZNFU as at 7th November, 2014.

Domestic Import Parity Prices as at 07/11/2014					
		US\$/ZAR=11.32	US\$/ZMK=6.41		
Parity Prices		U\$/ZMK	Maize	Soya	Wheat
Lusaka		6.41	394.36	700.65	484
Town	ZMK	\$	\$	\$	\$
Chipata	275	42.90	437.26	743.55	526.90
Mkushi	225	35.10	429.46	735.75	519.10
Ndola	250	39.00	433.36	739.65	523.00
Kitwe	250	39.00	433.36	739.65	523.00

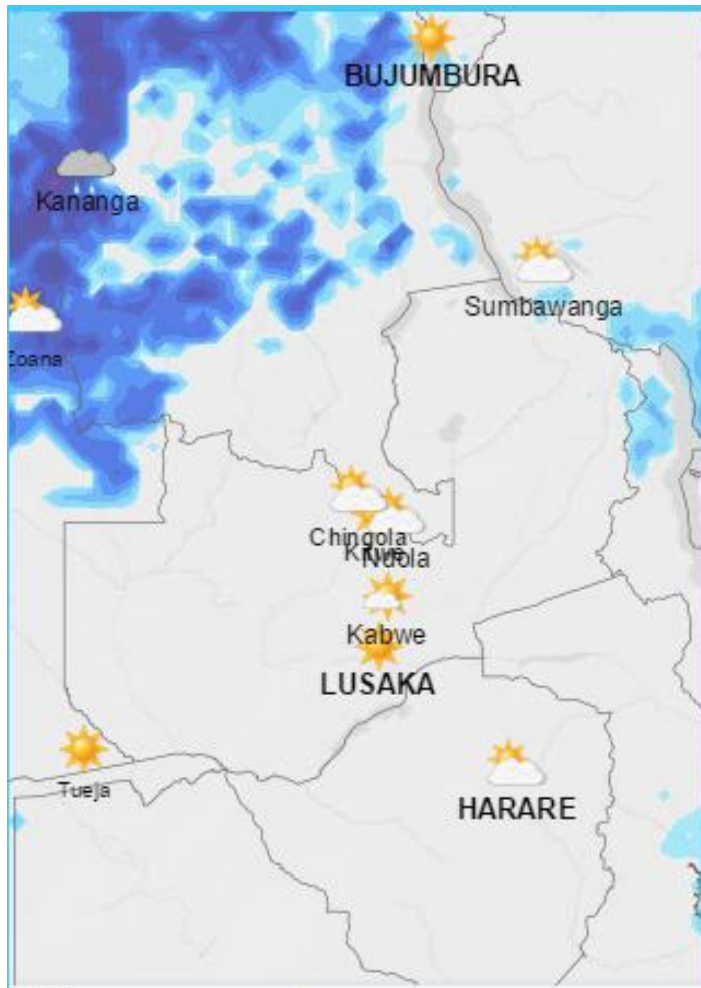
Export Parity Prices (Harare Lusaka)

The following export parity prices were compiled by ZNFU as at 7th November, 2014.

Export Parity Price (EPP)Harare-Lusaka	
Soya Beans	500
Wheat	376.8
Maize	320.25

Weather Forecast

The table summarizes the weather forecast for some selected towns for the period 10th to 16th November 2014.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Fairly cloudy skies anticipated for the 10th, 13th&16th. The 11th, 12th & 13th are expected to be partly cloudy with the 15th having clear sunny skies. ➤ No rainfall forecast ➤ Average Temperatures: 32-34°C
Mkushi	<ul style="list-style-type: none"> ➤ Clear sunny skies forecast for the whole save for the 11th &13th when it is anticipated to be partly and fairly cloudy respectively. ➤ No rainfall forecast ➤ Average Temperatures:32-34°C
Kabwe	<ul style="list-style-type: none"> ➤ Fairly cloudy skies anticipated for the 10th&12th. The 11th & 13th are expected to be partly cloudy with clear sunny skies the rest of the week. ➤ No precipitation forecast.

	<ul style="list-style-type: none"> ➤ Average Temperatures:32-35°C
Lusaka	<ul style="list-style-type: none"> ➤ The 10th&11th are expected to be partly cloudy, 12th, 13th&15th fairly cloudy with the 14th having clear sunny skies and the 16th anticipated to be cloudy. ➤ No precipitation forecast. ➤ Average Temperatures:31-34°C
Mazabuka	<ul style="list-style-type: none"> ➤ The 10th&14th are anticipated to have clear sunny skies. The 12th is expected to be fairly cloudy, 11th, 13th&15th partly cloudy with the 16th forecast to be cloudy. ➤ No rainfall forecast ➤ Average Temperatures: 33-36°C.
Choma	<ul style="list-style-type: none"> ➤ The 11th&15th are forecast to be fairly cloudy, 14th clear and sunny and the rest of the week forecast to be partly cloudy. ➤ No precipitation expected. ➤ Average Temperatures:31-32°C
Livingstone	<ul style="list-style-type: none"> ➤ The 10th &15th are forecast to be partly cloudy while the rest of the week is expected to be cloudy with 3.3mm of rainfall on the 13th. ➤ Average Temperatures:33-35°C
Mongu	<ul style="list-style-type: none"> ➤ The 10th is expected to be cloudy, rain is forecast for the 11th, 13th, 15th&16th while light rains are anticipated on the 12th &14th. ➤ Average Temperatures: 26-32°C.
Mansa	<ul style="list-style-type: none"> ➤ The 10th is expected to be fairly cloudy with the 11th, 13th &14 being partly cloudy and the rest of the week having clear sunny skies. ➤ Average Temperatures: 31-34°C. ➤ No rainfall forecast
Kasama	<ul style="list-style-type: none"> ➤ The 10th is anticipated to be fairly cloudy. The 12th&13th are forecast to have clear sunny skies while the rest of the week is expected to be partly cloudy. ➤ Average Temperatures: 31-32°C.
Solwezi	<ul style="list-style-type: none"> ➤ Light rains expected on the 10th & 12th with 2.2mm of rain showers on the 14th. The 15th will be fairly cloudy and rest of the week is expected to be partly cloudy. ➤ Average Temperatures: 31-34°C.
Chipata	<ul style="list-style-type: none"> ➤ Clear sunny skies are forecast for the whole week with the 15th being partly cloudy. ➤ No rainfall forecast ➤ Average Temperatures: 28-32°C.

Source: Norway meteorological Institute

LOCAL COMMODITY HIGHLIGHTS

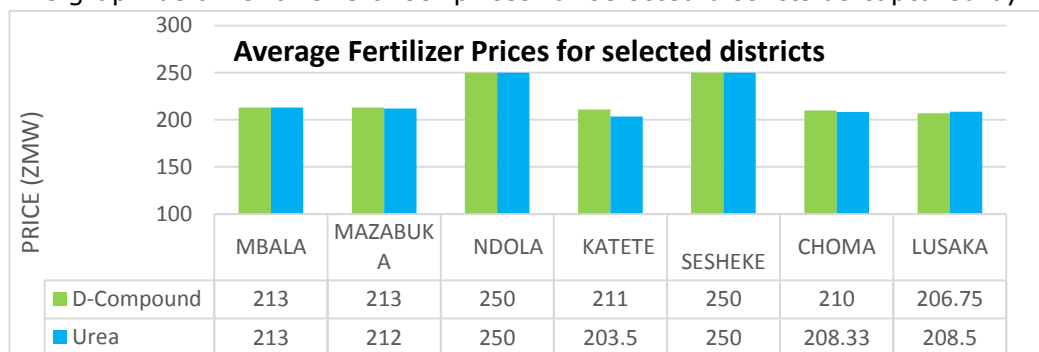
Grains

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

Exchange rate :USD 1= K6.41																				
Prices as at 10th November,2014/ per metric ton																				
	Mbala		Mansa		Lusaka		Mazabuka		Sesheke		Choma		Kabwe		Mkushi		Ndola/Kitwe		Kasoma	
	K	USD	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	187	1100	172	1200	187	1200	187	1200	187	1200	187	1100	172
Wheat		0		0	2750	429	2400	374		0	2500	390	2600	406	2600	406	2550	398		
Soybeans	2000	312		0	2800	437	2700	421	2100	328	2700	421	2800	437	2800	437	2800	437		
Sunflower		0		0	2000	312	1800	281		0	1800	281	2000	312	1800	281	1800	281		

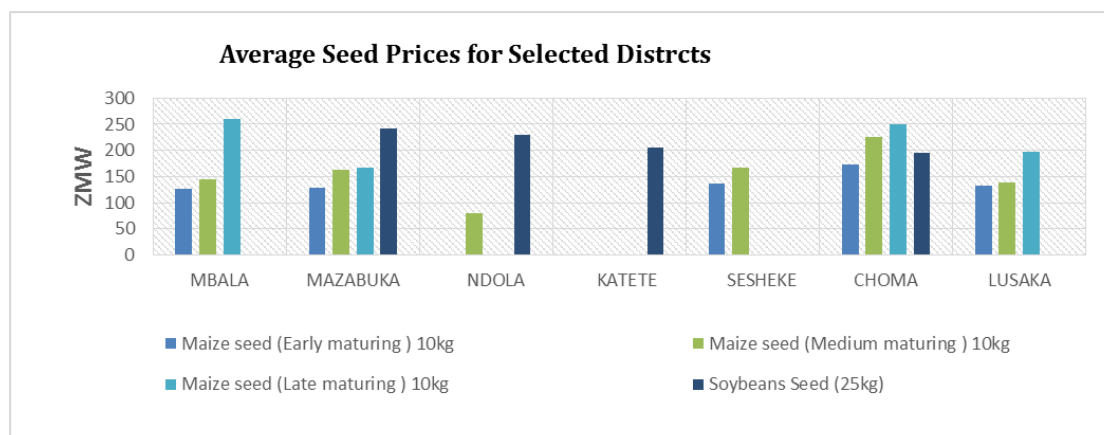
Fertilizer

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



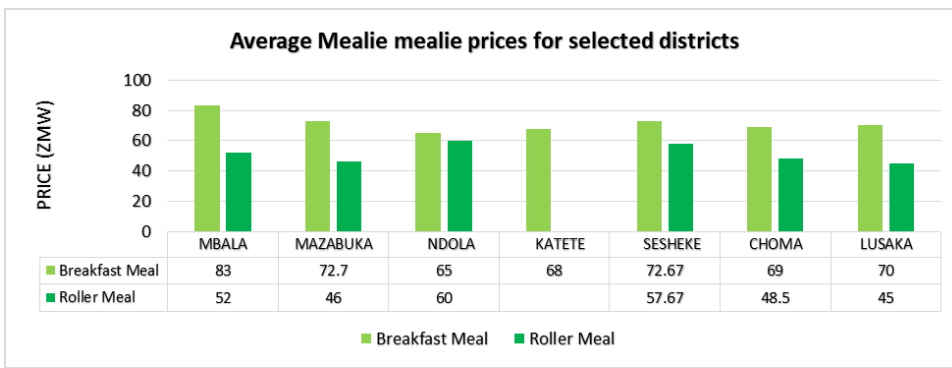
Source: ZNFU Regional Offices

Seed



Source: ZNFU Regional Offices

Mealie Meal

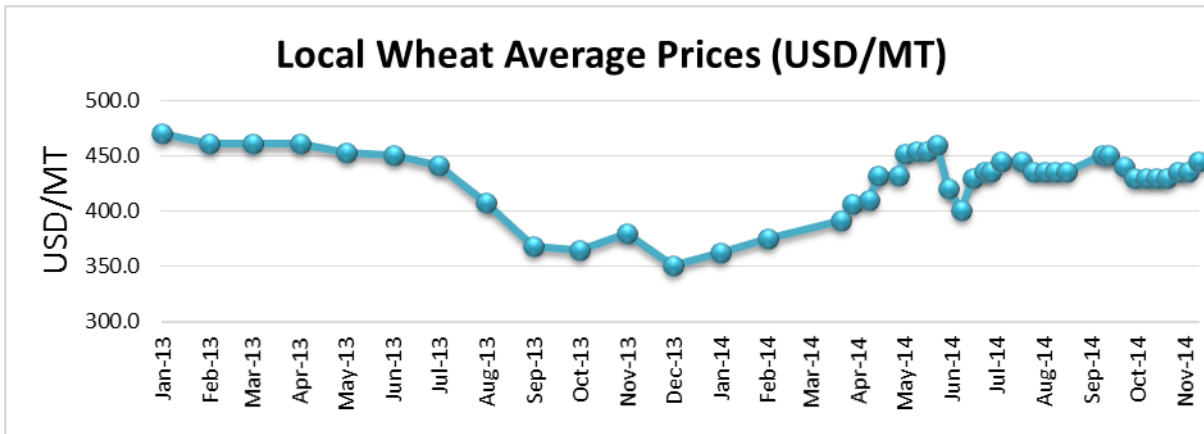


Source: ZNFU Regional Offices

WHEAT

Highlights

- The Food and Agriculture Organisation in its latest Cereal Supply and Demand Brief lifted by 4.1 million metric tonnes its projection for wheat production in 2014/15 to 722.6 million metric tonnes .This is above the international grains council estimate of 718million tonnes reported in the previous week and also above the USDA’s forecast of global wheat output of 721.1Million metric tonnes.
- Increases in EU and Ukraine estimated production for 2014/15 are the major reason behind FAOs upward revision.
- The South African crop estimates committee on Friday 31st Oct. shaved its forecast for wheat production to 1.78 million tons this season form its Sept. 30 estimate was of 1.79 million tons. Malting barley output was kept at 317,893 tonnes.
- In Chicago, wheat prices for December delivery were pegged at US\$189/MT on Mon. 10th Nov.2014 morning.
- Locally, wheat prices are in the range of US\$ 410-445/MT.



Source: ZNFU 4455 market price information system

Price trends

The Safex international soft red wheat price for last week settled at US\$232.57/MT on average and hard red prices averaged US\$258.63/MT. All prices fob gulf.

Wheat(US No 1 Hard Red) price comparison 2013&2014



Wheat (US No 2 Soft Red) Price Comparisons 2013&2014

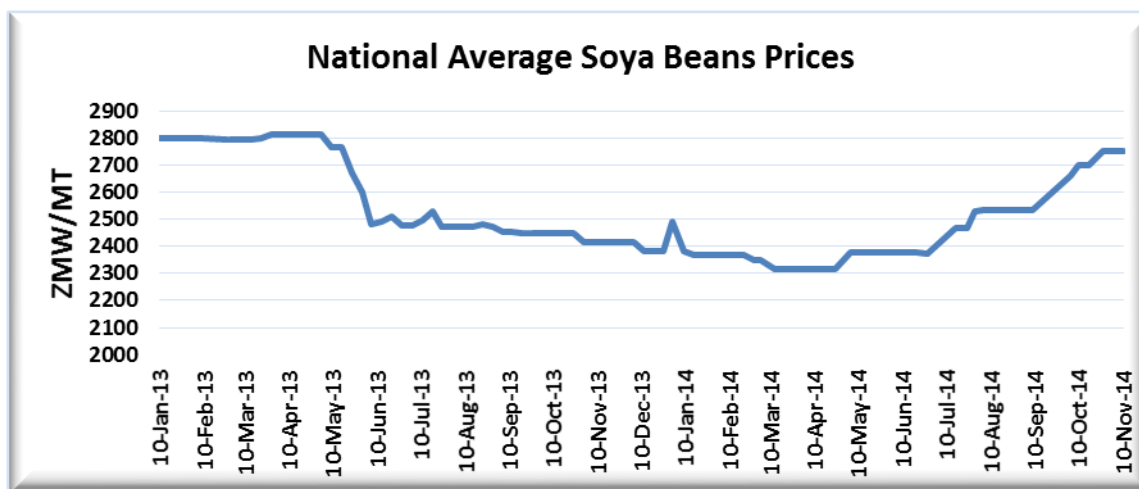


Source: Safex

SOYA BEANS

Highlights

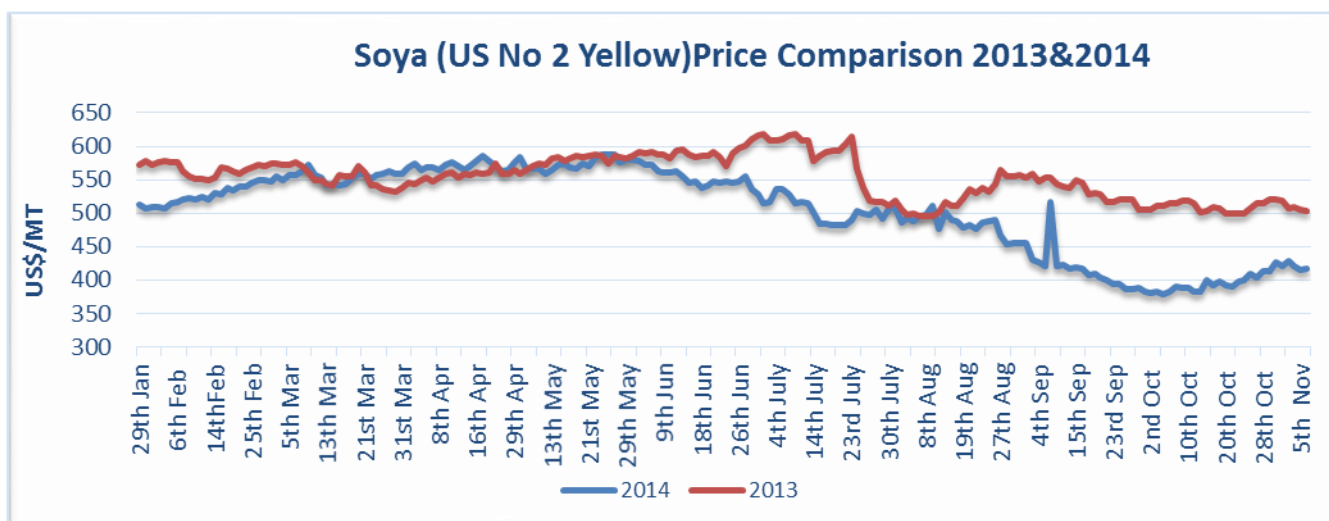
- The Soybean Processors Association of India (SOPA), says the country's soybean yield during 2014 recorded a 21.70 percent growth at 959 Kg per hectare compared to 788 Kg per hectare during the 2013 season. According to the Crop site, the area planted for the oilseed during 2014 was 5.54 million hectare, as compared to 6.26 million hectare but production during 2014 was up to 6.02 million tonnes, against 4.32 million tonnes output recorded during 2013, registering an increase of 39.26 per cent.
- The South African crop estimates committee increased the country's expected soybeans area planted for 2014/15 by 23 percent to 618,000 hectares.
- The Chicago soybeans futures price for delivery in November settled at US\$384/MT on Monday 10th Nov morning.
- 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\$420.03/MT. All prices are fob gulf.



Source: Safex

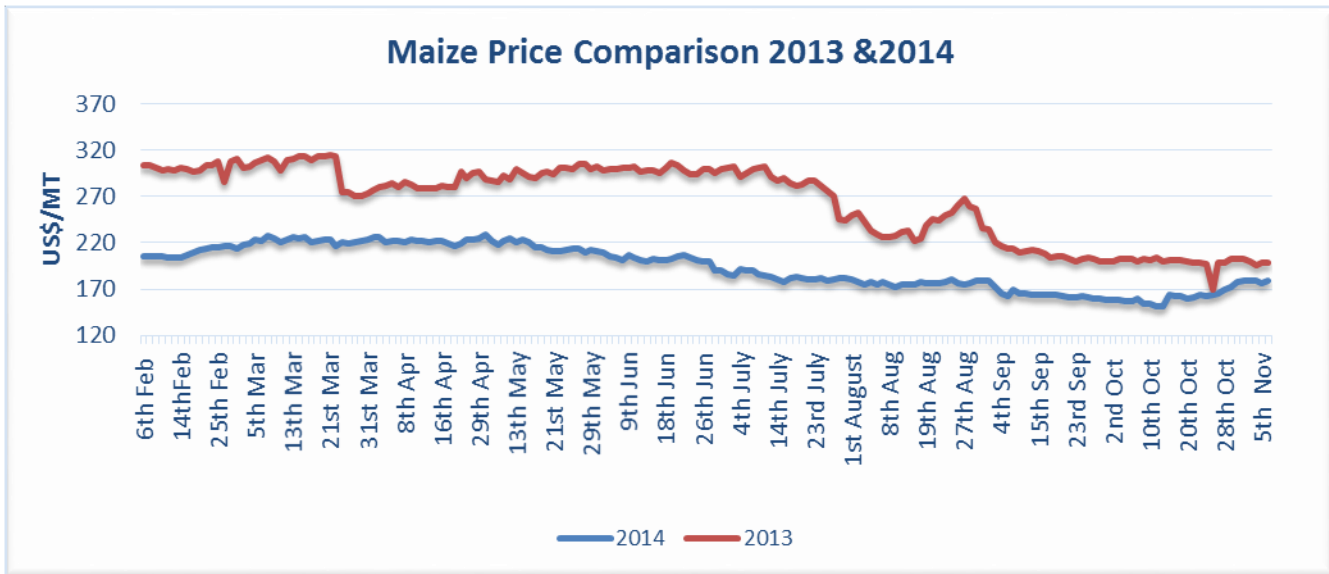
Maize

Highlights

- Maize sowings in South Africa during the 2014/15 season are expected to be lower with country's crop estimates committee forecasting a 3.3 percent decrease in area planted. The committee on sept. 30 estimated area to be planted at 2.69 million hectares compared to the 2.6 million hectares estimate released on 31st Oct.
- In related news, the Food and Agriculture Organisation revised downwards by 3.6 Million tonnes its projection for world maize production. Last month FAO had pegged 2014/15 maize production at 1.01 Billion tonnes. International Grains Council in the previous week estimated production at 974.2 million metric tonnes.
- In Chicago, maize prices for December delivery were pegged at US\$144/MT on Mon. 10th Nov. 2014 morning.
- Locally, the Food reserve Agency has indicated that it intends to offload 650,000 metric tonnes of its maize stocks to the local and export market. The agency will sell the maize at US\$240/MT and ZMW1521/MT for export and local market respectively.

Price trends

The average international price on Safex price of US No. 2 Yellow maize for last week settled at US\$ 178.68, 5.35 percent above the previous week's price.



Source: Safex

COTTON Highlights

- China has announced a subsidy of about US\$4330/ton of cotton harvested during the 2014/15 season in regions outside its main growing area of Xinjiang. The subsidy comes in after the country abandoned its stockpiling programme. It is hoped that the subsidy will slow down the decline in Chinese cotton production.
- Cotton prices on Cotlook settled at 69.20cents/pound (\approx US\$1.52/kg) by end of day on 7th November 2014. CME prices on the other hand settled at US\$0.6396/pound (\approx US\$1.41/kg).



Source: CME

BEEF

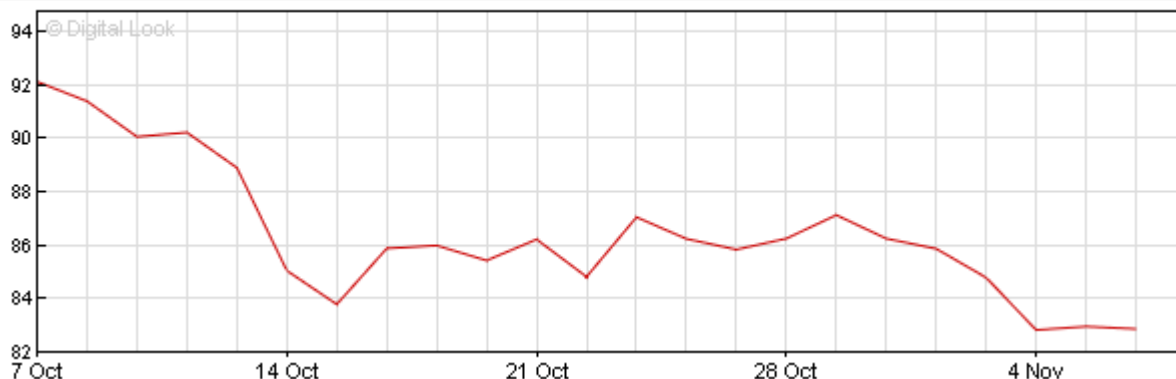
Highlights

- Namibia has reinstated the 30 percent levy on the country's exports of live mature cattle. This came into effect on 23rd October 2014.
- Kenya's livestock marketing council has expressed concern over the impact subsidized European Export could have on the East African community. Speaking to global meat news days after the Economic Partnership Agreement (EPA) had been agreed, the council a subsidy of 80 percent to EU farmers would kill the pastoralists and Kenya's livestock industry.
- On the Namibian market, weaners and heifers were auctioning for about R18.42/Kg and R17.33/kg respectively as of 31st October 2014. Meanwhile Class A1 beef in abattoirs was going for about R32-33.97/Kg on 3rd November 2014.
- According to the South Africa Feedlot Association, grain fed beef carcass cost ZAR32.98Kg while live animal cost ZAR19.31/Kg on average in the week ending 19th October 2014.
- Local beef prices were trading in the range of ZMK14-27/kg, dressed weight, during the week ending 7th November 2014. The national average price on the ZNFU 4455 price information system was pegged at ZMK18/Kg.

CRUDE OIL

- Crude oil prices hit four year lows this week after Saudi Arabia cut prices of the commodity destined for the U.S. A. America's oil import appetite has reduced with the nation's increased shale oil output.
- Brent crude oil futures prices settled at US\$82.99/barrel on Friday 14:15 CAT while WTI prices were hovering around US\$78.09/barrel.

Brent Crude Oil Futures \$/barrel



Source: BBC Business, 2014

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