



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

17th November, 2014 Vol.42

Industry Update

Zambia Produces 338 000 tons of Wheat

Zambia's 2014 wheat production figure has been pegged at 338 233MT by the Zambia National Farmers Union. The report by the Argentine firm consulted to capture the 2014 production through satellite imagery indicated a 5.5 percent drop in area planted in comparison to last year to a 2014 total area of 44 619hectares. The 2014 yields were however higher with less stressed wheat. Meanwhile the area under barley and sugar cane were estimated at 1,044 and 35,202 hectares respectively.

Exchange Rates

CURRENCY	18/11/2014 (BoZ- 17/11/14)						10/11/2014					
	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)	6.31	6.44	0.57	0.58	9.88	10.08	6.32	6.44	0.57	0.58	10.05	10.26
Standard Chartered Bank	6.32	6.45	0.57	0.58	9.89	10.09	6.34	6.46	0.57	0.58	10.08	10.28
ZANACO	6.31	6.43	0.57	0.58	9.82	10.07	6.32	6.44	0.56	0.57	10.00	10.26
Bank of Zambia (BOZ)interbank	6.36	6.38	0.573	0.575	9.95	9.99	6.35	6.37	0.561	0.564	10.04	10.07

Import Parity Prices

The following import parity prices were compiled by ZNFU as at 11th November, 2014.

Domestic Import Parity Prices as at 11/11/2014					
		US\$/ZAR=11.22		US\$/ZMK=6.42	
Parity Prices		U\$/ZMK	Maize	Soya	Wheat
Parity Prices		U\$/ZMK	Maize	Soya	Wheat
Lusaka		6.42	398.6	714.44	486
Town	ZMK	\$	\$	\$	\$
Chipata	275	42.83	441.43	757.27	528.83
Mkushi	225	35.05	433.65	749.49	521.05
Ndola	250	38.94	437.54	753.38	524.94
Kitwe	250	38.94	437.54	753.38	524.94

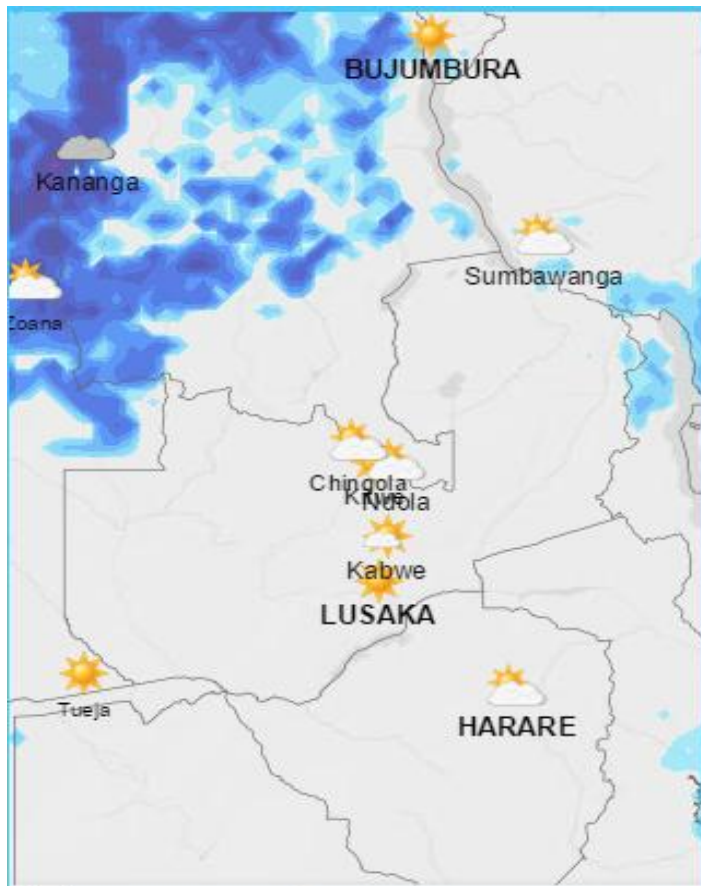
Export Parity Prices (Harare Lusaka)

The following export parity prices were compiled by ZNFU as at 11th November, 2014.

Export Parity Price (EPP)Harare-Lusaka	
Soya Beans	496
Wheat	376.8
Maize	320.25

Weather Forecast

The table summarizes the weather forecast for some selected towns for the period 18th to 24th November 2014.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Partly cloudy skies are forecast for the 18th with heavy rainfall of 8.8mm expected on the 19th. Light rains are anticipated on 20th with normal rainfall from 21st to the 23rd. The 24th is expected to be fairly cloudy with 0.4mm of rainfall. ➤ Average daily Temps: 25-28°C
Mkushi	<ul style="list-style-type: none"> ➤ The 18th is forecast to be fairly cloudy with 0.2mm of rainfall. Normal rains of around 1-1.1mm expected on the 19th & 21st with heavy rains of 9.2mm on the 20th. Light rains are forecast of the 22nd with the 23rd & 24th having partly cloudy skies and precipitation of 0-0.2mm ➤ Average daily Temps: 23-29°C
Kabwe	<ul style="list-style-type: none"> ➤ Fairly cloudy skies anticipated for the 18th. The 19th & 20th will be partly cloudy with 0-0.1mm rainfall. Light rains expected on 21st with partly cloudy skies the rest of the week. ➤ Average daily Temps: 22-30°C

Lusaka	<ul style="list-style-type: none"> ➤ Partly cloudy skies expected on 18th, 20th & 23rd. the 19th & 21st will be cloudy with possibility of showers. 0.7mm of rain forecast for the 22nd and clear sunny skies on 24th. ➤ Average daily Temps: 24-31°C
Mazabuka	<ul style="list-style-type: none"> ➤ Partly cloudy skies forecast for the 18th, 20th, 22nd & 23rd. 19th & 21st are expected to be cloudy and 24th fairly cloudy. ➤ No rainfall forecast ➤ Average daily Temps: 25-34°C.
Choma	<ul style="list-style-type: none"> ➤ The 18th will be cloudy with 0.2mm of rainfall. The 19th, 20th, 23rd & 24th are expected to be partly cloudy with the 21st having clear sunny skies and the 22nd being fairly cloudy. ➤ Average daily Temps: 21-31°C
Livingstone	<ul style="list-style-type: none"> ➤ The 18th is forecast to be fairly cloudy with clear sunny skies on the 19th & 22nd. The rest of the week will be partly cloudy with the 24th being cloudy. ➤ Average daily Temps: 24-34°C
Mongu	<ul style="list-style-type: none"> ➤ Forecast of 4.7mm of rain on the 18th & 9.5mm on 19th. 20th & 24th will be partly cloudy and 21st cloudy. Light rains of 0.5-0.6mm anticipated for the 22nd & 23rd. ➤ Average daily Temps: 26-30°C.
Mansa	<ul style="list-style-type: none"> ➤ The 18th forecast to have fairly cloudy skies. Rains forecast from the 19th to 22nd and 24th with light rain showers on 23rd. ➤ Average daily Temps: 24-30°C.
Kasama	<ul style="list-style-type: none"> ➤ The 18th forecast to be partly cloudy with heavy rains on 19th & 20th, normal rains on 21st & 22nd and rain showers on 23rd & 24th. ➤ Average daily Temps: 21-29°C.
Solwezi	<ul style="list-style-type: none"> ➤ The 18th forecast to be partly cloudy with heavy rains on 19th & 22nd, normal rains on 20th, 23rd & 24th. ➤ Average daily Temps: 22-30°C.
Chipata	<ul style="list-style-type: none"> ➤ Light rain showers forecast for the 18th with normal rains on the 20th & 22nd. 19th & 24th are anticipated to be cloudy with the 21st being partly cloudy and 23rd fairly cloudy. ➤ Average daily Temps: 21-30°C.

Source: Norway meteorological Institute

LOCAL COMMODITY HIGHLIGHTS

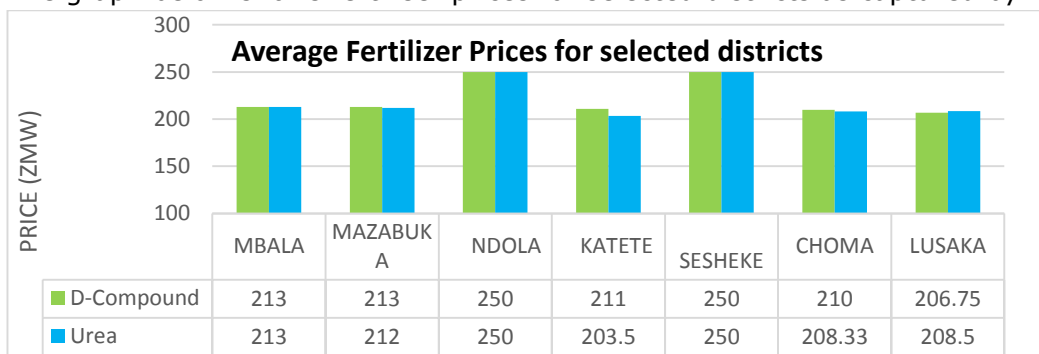
Grains

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

Exchange rate :USD 1= K6.40																				
Prices as at 17th 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		
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		

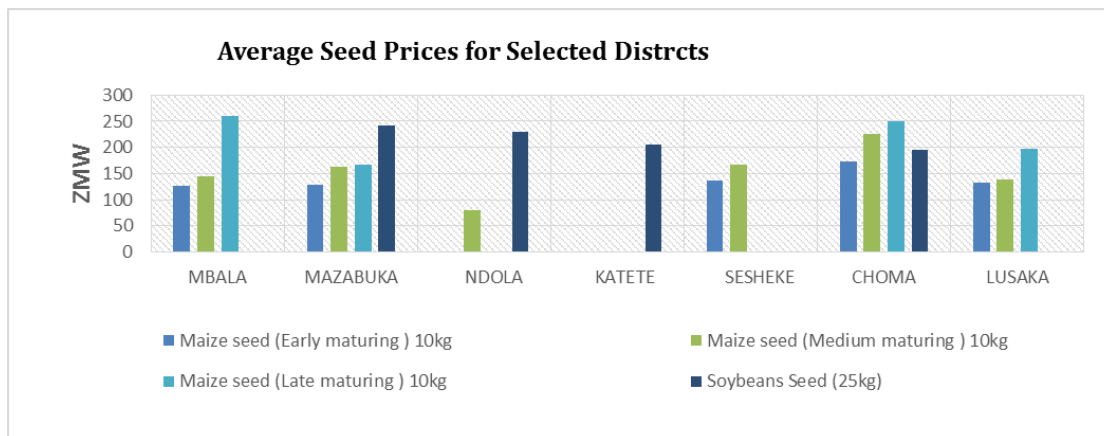
Fertilizer

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



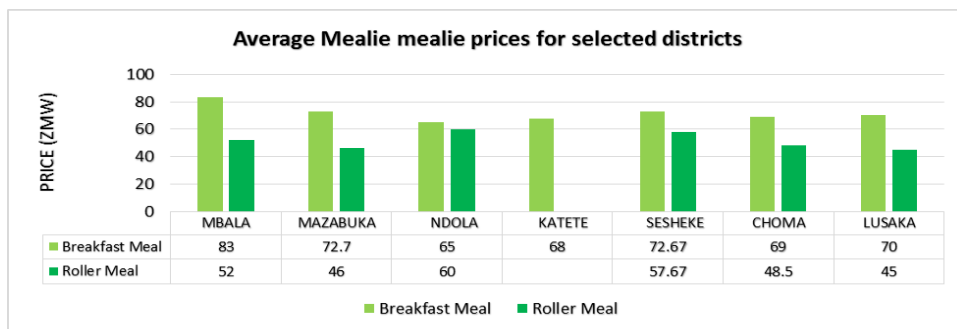
Source: ZNFU Regional Offices

Seed



Source: ZNFU Regional Offices

Mealie Meal

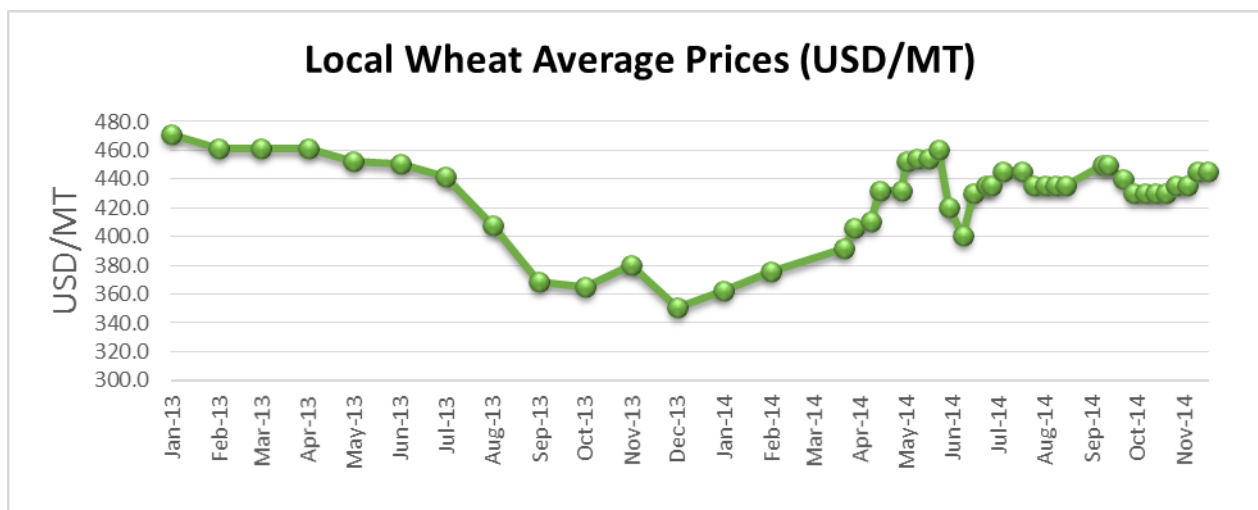


Source: ZNFU Regional Offices

WHEAT

Highlights

- The Zimbabwean government increased wheat floor prices from \$466 per metric tonne paid in 2013/14 to \$500 per metric tonne for the 2014-2015 agricultural season. Zimbabwe produced an estimated 20 000 to 25 000 metric tonnes of wheat compared to an estimated 450 000 metric tonnes required for local consumption.
- In a bid to reduce wheat imports and encourage local production, the Egyptian government has committed to purchasing one ardeb of wheat (about 150kg) for EGP 420(about USD58.72) for the coming 2014/15 season. Egypt estimates its total local wheat crop this year at around 9 million tons, of which the government is aiming to buy 4 million.
- The Chicago wheat price for delivery in December was pegged at US\$202/MT on Monday 17th November afternoon.
- The graph below shows wheat price trends;

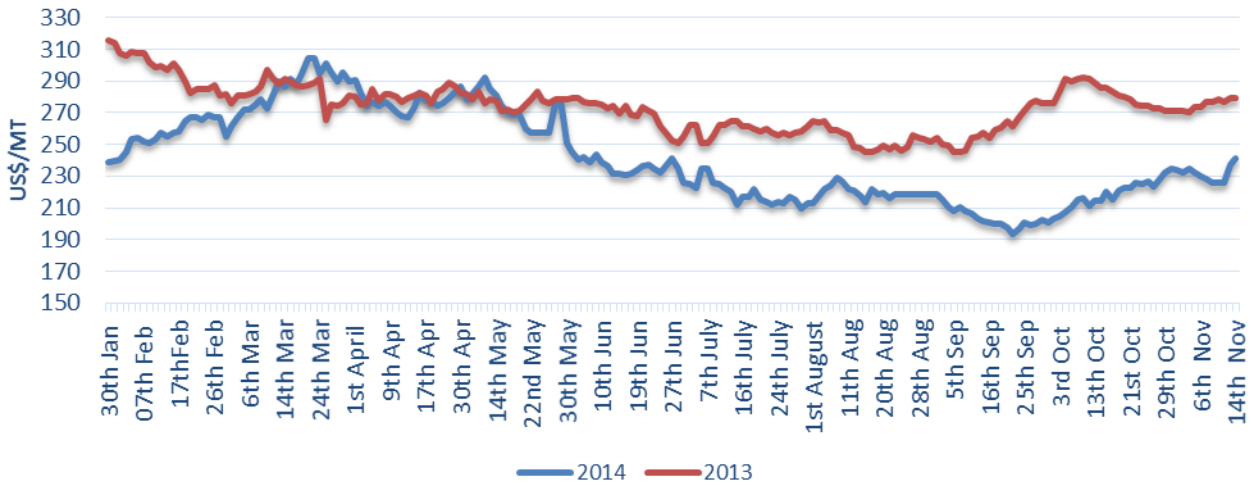


Source: ZNFU 4455 market price information system

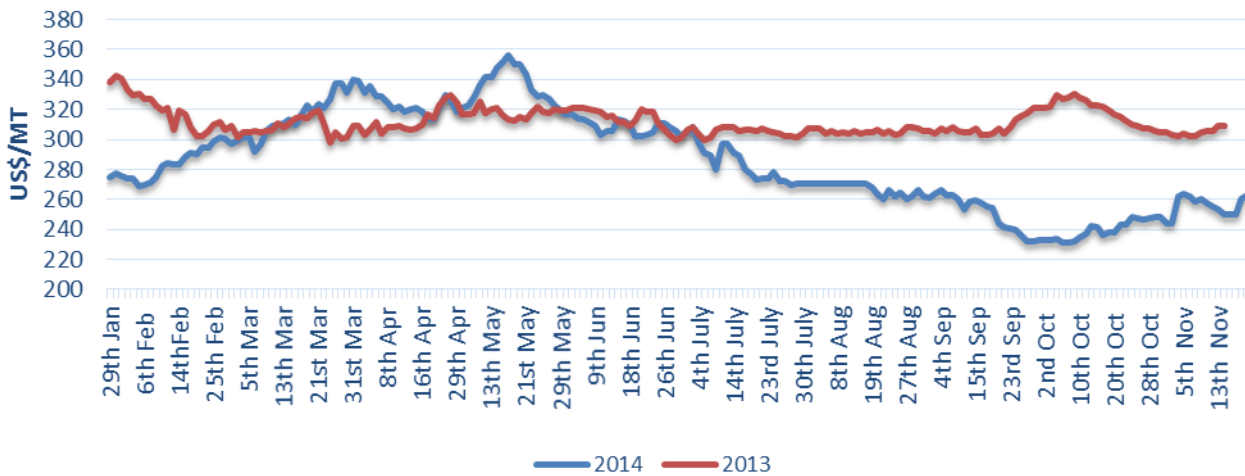
Price trends

The Safex international soft red wheat price for last week settled at US\$228.61/MT on average and hard red prices averaged US\$252.50/MT in the week ending 13th November. All prices fob gulf.

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



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

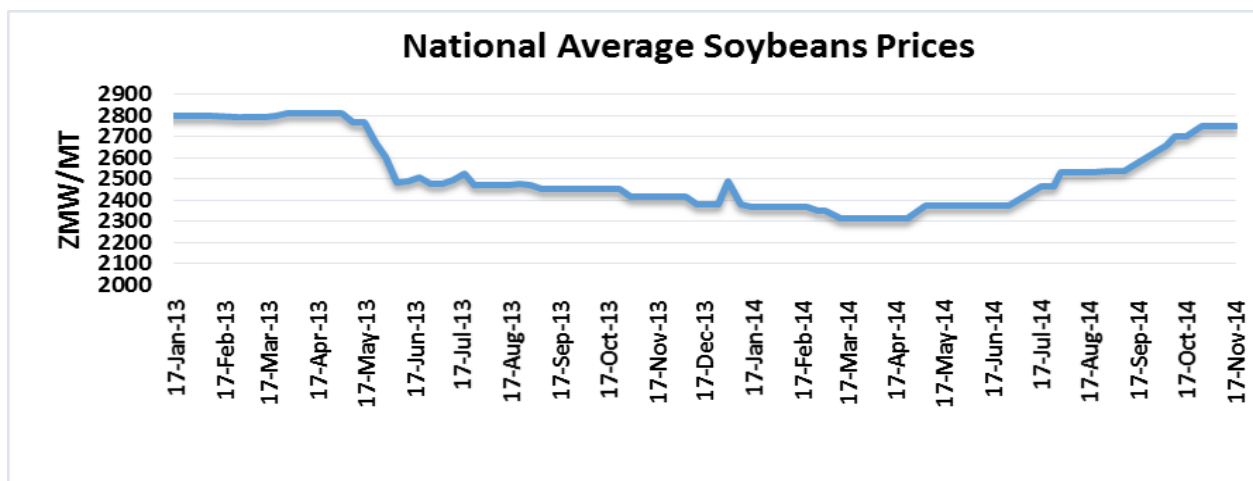


Source: Safex

SOYA BEANS

Highlights

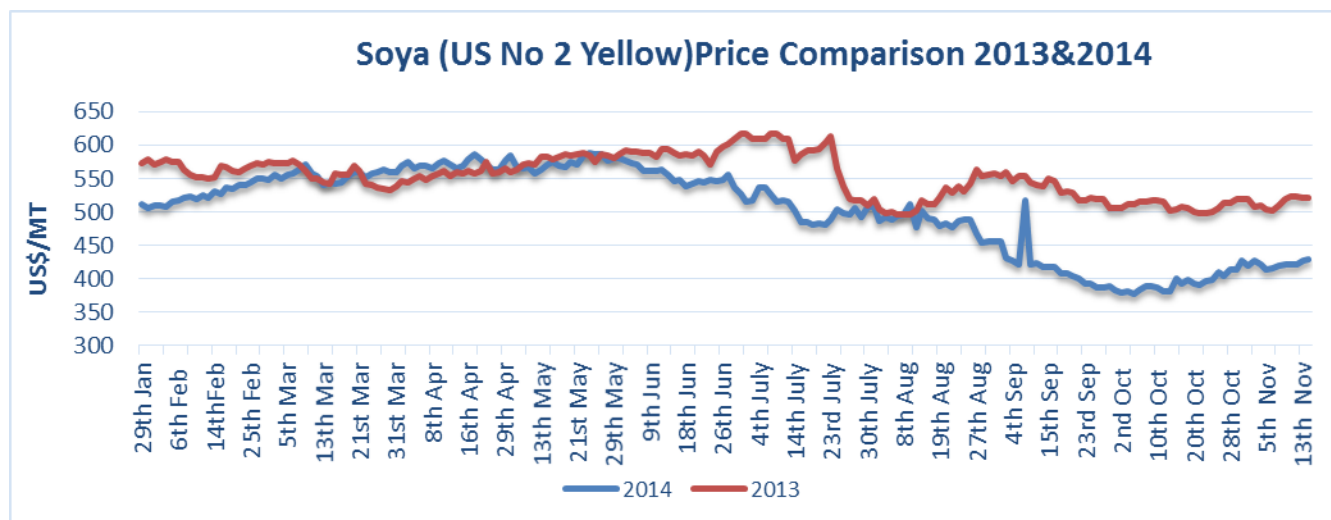
- The Indian food ministry has proposed a 100 percent increase on import tax of crude edible oils and a 50 percent on refined oils import tax. India currently levies a 2.5 percent tax on the crude variety and 10 percent on refined. It imports nearly 60 percent of its 18-19 million tonnes annual demand, mostly as palm oil from top producers Indonesia and Malaysia.
- The USDA in their latest WASDE report raised world soybeans production for 2014/14 to 312.1 Million tonnes compared to their October estimate of 311.2 million tonnes. The increase in production was mainly attributed to increases in the US average soybean yield.
- The Chicago soybeans futures price for delivery in November was pegged at US\$374/MT on Monday 17th November afternoon.
- Locally soybeans prices are in the range of k2.3-3/KG. The graph below shows national prices 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\$422.29/MT. All prices are fob gulf.



Source: Safex

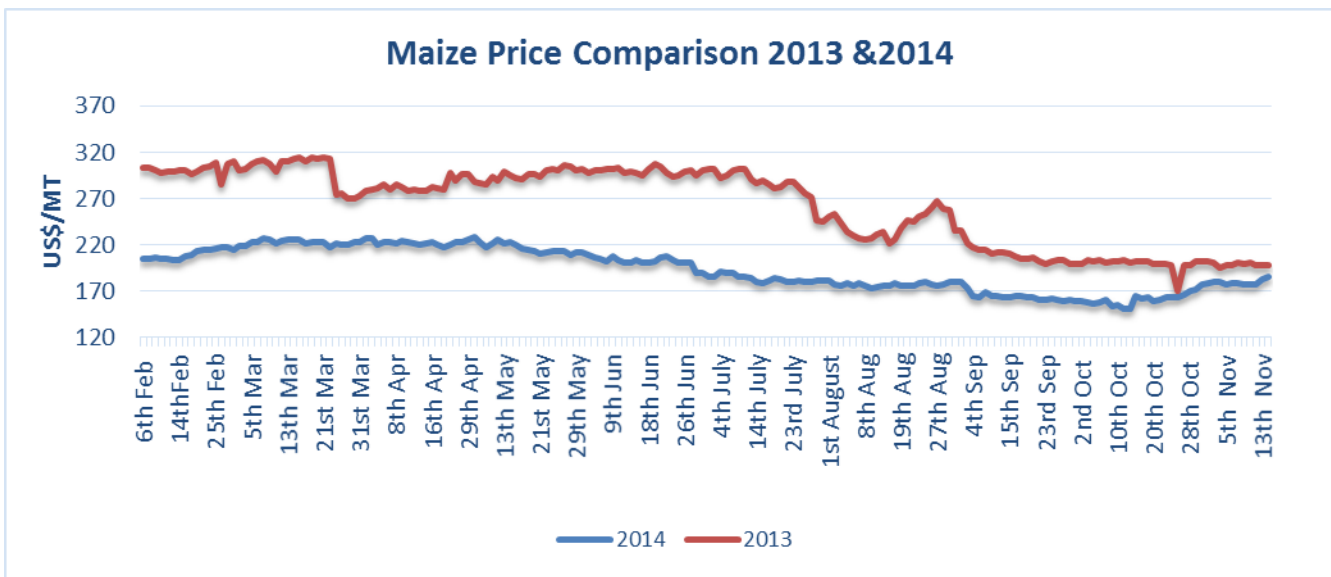
Maize

Highlights

- The USDA scaled back their global maize production for 2014/15 from their October forecast of 990.7 million metric tonnes to 990.3 million tonnes in November. Higher Ukrainian and EU production numbers (up 2Mt each) were more than offset by reduced output estimates for China (-3.0Mt) and the US (-1.7Mt). The US average yield estimate was reduced by 0.03t/ha from October's estimate to 10.89t/ha.
- The Chicago what price for delivery in December was pegged at US\$147.6/MT on Monday 17th November afternoon.
- Locally maize prices are in the range of 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\$ 178.48, 11 percent below the previous week's price.



Source: Safex

COTTON Highlights

- The International Cotton Advisory Council (ICAC) has projected that the 2014/15 global consumption of cotton will fall short of production for the fifth consecutive year and that stocks will hit record high levels. This news does not give much hope for better cotton prices in the coming year. ICAC noted that the falling cotton prices had been a temptation for countries to intervene in the interest of their growers. The council however discouraged this as more intervention would only postpone adjustments and lead to increased challenges for participants in the cotton value chain in the long run.
- Cotton prices on Cotlook settled at 66.60cents/pound (\approx US\$1.47/kg) by end of day on 17th November 2014. CME prices on the other hand settled at US\$0.5881/pound (\approx US\$1.29/kg).



Source: CME

BEEF

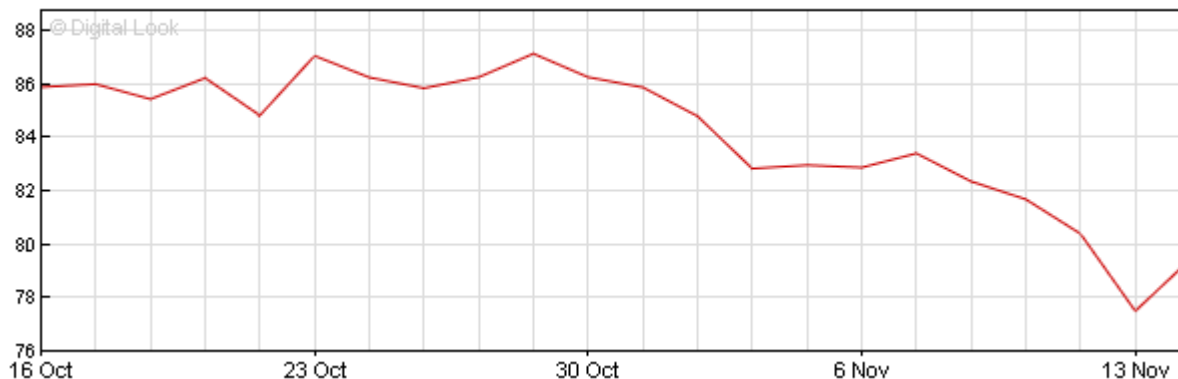
Highlights

- Namibia's 30 percent export levy will only apply to slaughter able cattle weighing 450 kg's or more. According to the Meat Board of Namibia, this ruling will come into effect on 15th November 2014. Stud animals with a mass of or exceeding 450 kg that are exported must be accompanied by the necessary certificates that are available from the Cattle Improvement Board and/or The Stud Breeders Association.
- On the Namibian market, weaners and heifers were auctioning for about R19.42/Kg and R18.24/kg respectively as of 7th November 2014. Meanwhile Class A1 beef in abattoirs was going for about R32-33.97/Kg on 10th November 2014.
- According to the South Africa Feedlot Association, grain fed beef carcass cost ZAR32.87/Kg while live animal cost ZAR19.28/Kg on average in the week ending 9th November 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 continued to tumble in the last week setting new historical low levels. Increased confidence in the production of the OPEC countries by market players has been cited to be one of the factors behind the continued drop.
- Meanwhile the U.S Energy Information Agency (EIA) has forecast a Brent crude price average of US\$83/barrel in 2015 with lower prices being experienced in the first half of the year before picking up in the second half. The agency has forecast a trading range of US\$80-US\$90 per barrel throughout 2015.
- Brent crude oil futures prices settled at US\$79.65/barrel on 16th November 2014 at 12:24 CAT while WTI prices were hovering around US\$75.98/barrel.

Brent Crude Oil Futures \$/barrel

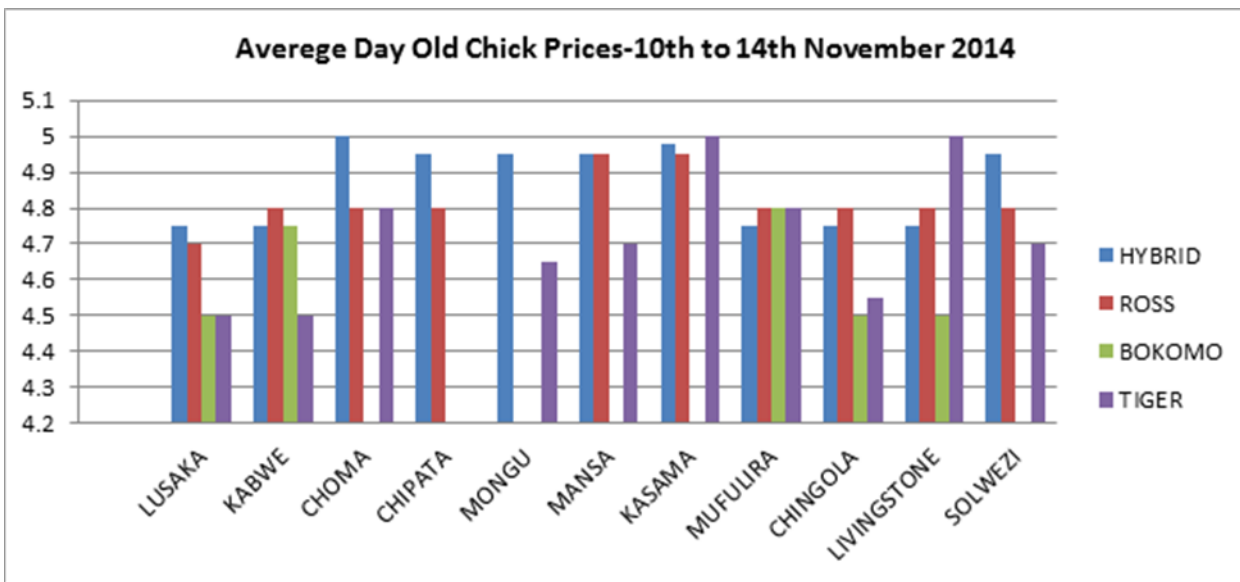


Source: BBC Business, 2014

POULTRY

AVERAGE DAY OLD CHICK PRICES

The graph below shows average prices of day old chicks for selected towns. Prices for day old chicks have been flat the past two months. ZMK5 is the highest price for a day old chick on the market and a low of ZMK4.5 per chick. As we approach towards the festive season, day old chicks' supply has been hiked to meet the demand.

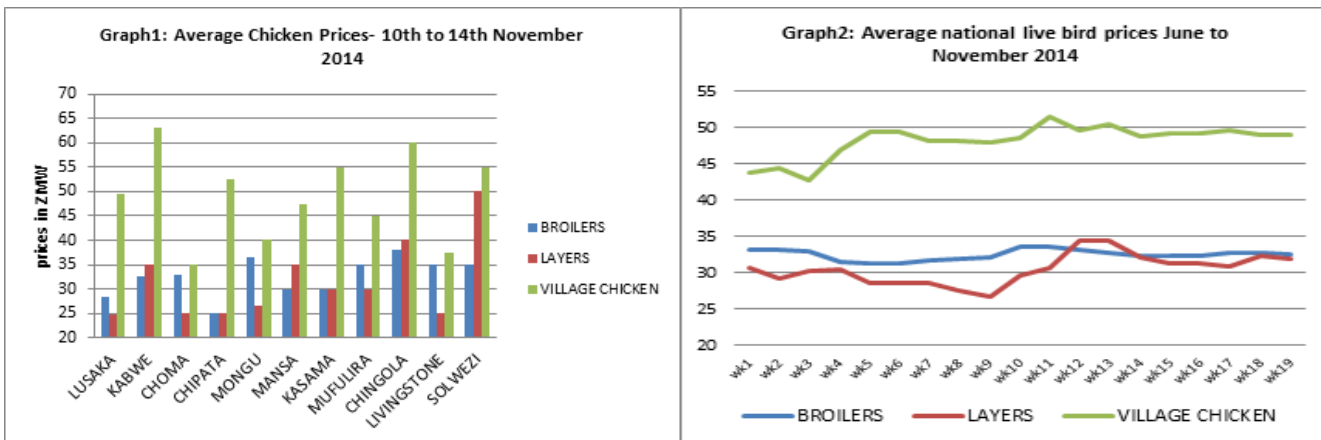


Source: Poultry Association of Zambia

AVERAGE LIVE BIRDS PRICES

Graph 1 below shows the average live bird prices in selected towns in the week ending 14th November. While the price of village chicken in all the towns displayed has remained flat, the average price of broilers in Kasama and Choma reduced from ZMW33.5 to ZMW33 and from ZMW31 to ZMW30 representing 1.5% and 3.2% price reduction respectively. This can be attributed to an increase in supply of broiler live birds in both markets. The price of ex layers in Solwezi has reduced from ZMW55 to ZMW50 representing a 9% price reduction while the price of layers in Kasama has risen for ZMW35 to ZMW35.5 representing 1.4% price increase. The high price charged for ex layers in Solwezi could be attributed to the fact that layers are considered as village chickens by consumers in the town and hence fetch almost the same price as village chickens. Prices in other towns remained stable during the course of the week.

Graph 2 on the other hand shows the national average price trends for broilers, layers and village chickens. The graph shows that while the price of village chickens has been significantly higher than the price of both broilers and layers throughout the period being considered, the price of broilers and layers have been comparable with minimal differences.



Source: Poultry Association of Zambia

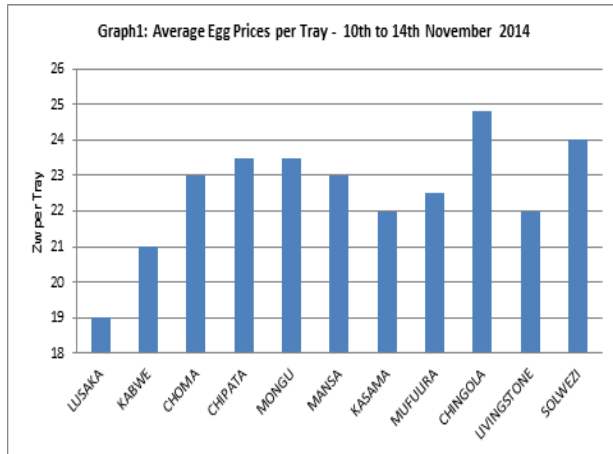
Source: Poultry Association of Zambia

AVERAGE EGG PRICES

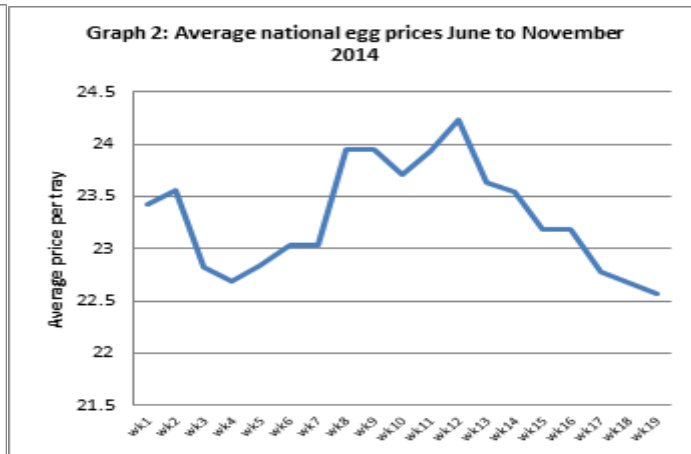
Graph 1 below shows average retail prices of table eggs in selected provincial centres around the country. The average price of eggs has remained stable in most towns except in Kasama where the price has had a downward swing from ZMW24 to ZMW22 representing an 8% price reduction and in Choma where the price has risen from ZMW22 to ZMW 23 representing a 4% price increase.

Graph 2 shows the price trend for eggs over a period of five months from mid-June to November 2014. The graph shows that the average price of eggs has been declining since week 12 for a continuous period of about two months. The average price in week 19 was at ZMW22.58 which was a significant price decline from the

average price of ZMW24.23 in week 12. This decline was as a result of increased production which in turn caused an increase in the quantity of eggs supplied to the markets. New entrants in the market also contributed to this outcome.



Source: Poultry Association of Zambia

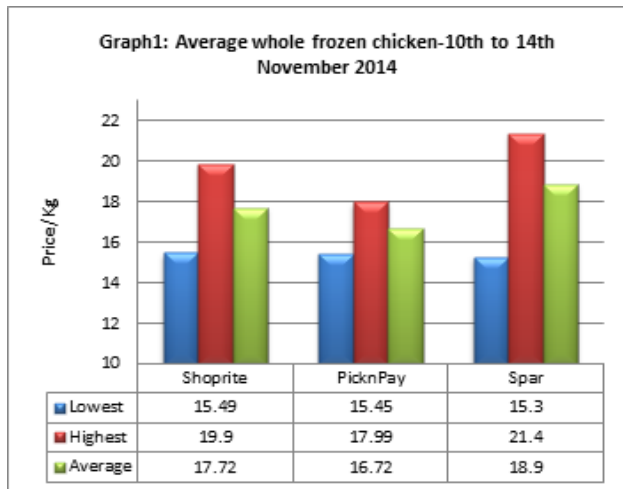


Source: Poultry Association of Zambia

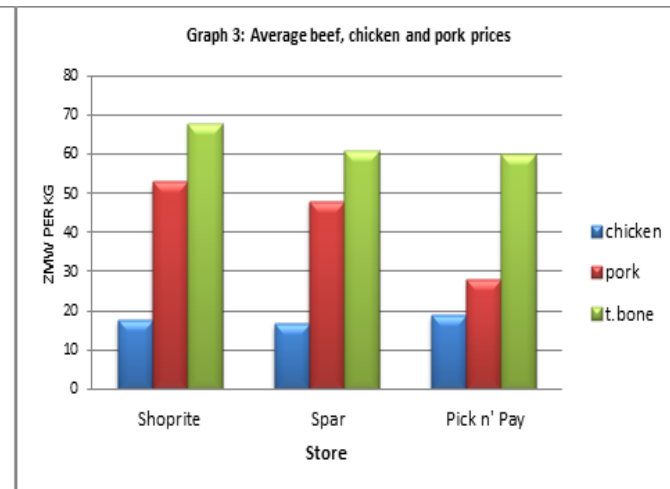
AVERAGE WHOLE DRESSED CHICKEN PRICES

Graph 1 below shows average prices of whole frozen chickens in three chain stores in Lusaka. While prices remained static in Shoprite and Spar during the week ending 14th November, the average price of frozen chickens in Pick n' Pay rose from an average of ZMW15.75/Kg to ZMW16.72/Kg and a price range of ZMK17.99 -15.45 per kg. The average price of frozen chicken in Shoprite is ZMW17.72 with the lowest and highest priced whole frozen chicken going for ZMW15.49 and ZMW19.90 respectively. The average price of frozen whole chicken in Spar is 18.90/Kg with the lowest going at ZMW15.30/Kg and the highest going for ZMW21.40/Kg

Graph 2 show the average prices for beef, chicken and Pork products in the three chain stores in lusaka. The graph shows that the price of chickens was significantly lower than that of beef and pork in all three stores displayed.



Source: Poultry Association of Zambia



Source: Poultry Association of Zambia

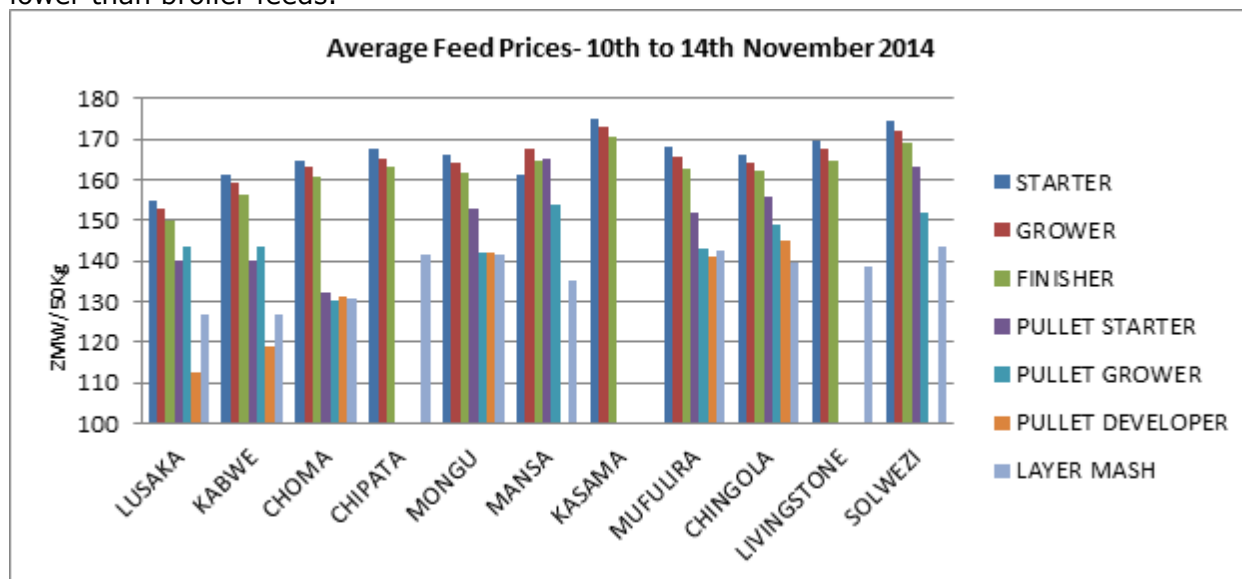
Graph 3 shows the average price trend for whole frozen dressed chicken from June -14th November 2014. The graph shows that average price of whole dressed frozen chicken has been fluctuating over the past two months. After reaching a high of ZMW19.33/Kg in week 11 the price then dropped to ZMW16.89/Kg in week 15 and then rose to ZMW18.07/Kg in week 16 and settled at 17.78/Kg in week 19.



Source: Poultry Association of Zambia

AVERAGE FEED PRICES

The average feed prices remained relatively stable over the past five 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 posted the highest prices for broiler feeds. The graph further shows that pullet feeds were generally lower than broiler feeds.



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