



THE WEEKLY AGRO WATCH



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26th January, 2015 Vol.3

Industry Updates

Inonge Wina - First Female Vice President

Newly elected President of the Republic of Zambia, His Excellency Edgar C. Lungu, today appointed the former Minister of Gender, Honourable Inonge Wina, as Vice President. Inonge Wina becomes the first female vice-President of Zambia. Other Ministers sworn in and their respective portfolios are listed below:

- Alexander Chikwanda – Minister of Finance and National Planning
- Ngosa Simbyakula - Minister of Justice
- Joseph Kasonde – Minister of Health
- Harry Kalaba - Minister of Foreign Affairs
- Jean Kapata - Minister of Tourism and Arts
- Davies Mwila – Minister of Home Affairs
- Dawson Kafwaya - North Western Province Minister
- Nathaniel Mubukwanu -Southern Province Minister

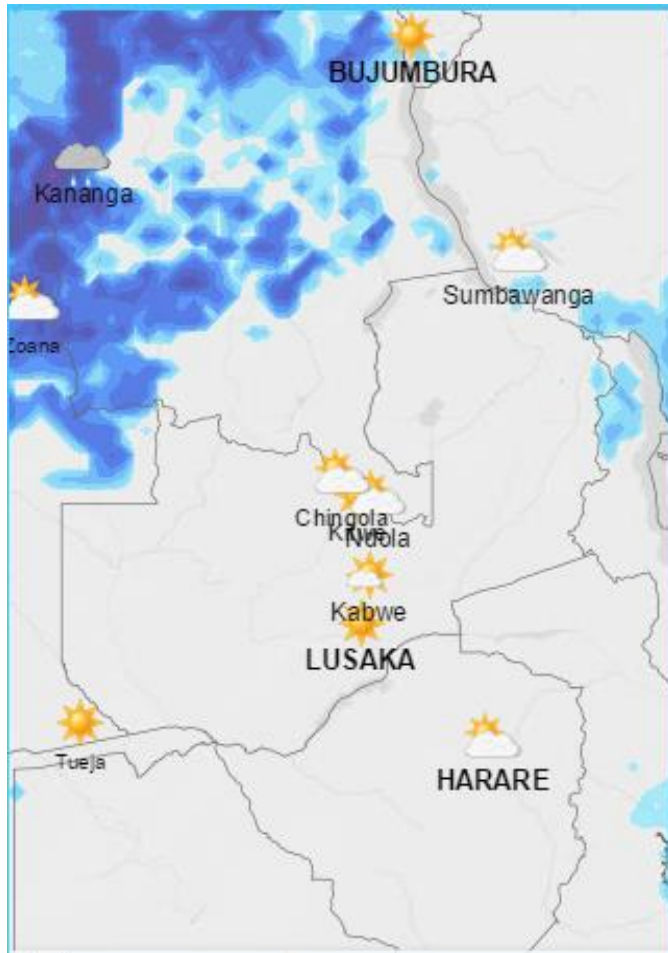
The position of Minister of Agriculture and Livestock and other Ministerial positions are still vacant after the dissolution of cabinet yesterday, 26th January 2015, and are yet to be filled in.

Exchange Rates

CURRENCY	01/02/2015						19/01/2015 (Boz-16/01/2015)					
	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)	6.34	6.47	0.56	0.57	9.52	9.71	6.39	6.52	0.56	0.57	9.67	9.87
Standard Chartered Bank	6.39	6.52	0.56	0.57	9.59	9.78	6.39	6.52	0.56	0.57	9.68	9.87
ZANACO	6.37	6.49	0.55	0.57	9.51	9.75	6.40	6.52	0.55	0.56	9.63	9.88
Bank of Zambia (BOZ)interbank	6.37	6.39			9.57	9.59	6.45	6.47	0.557	0.56	9.79	9.82

Weather Forecast

The table summarizes the weather forecast for some selected towns for the period 27th January – 2nd February 2015.



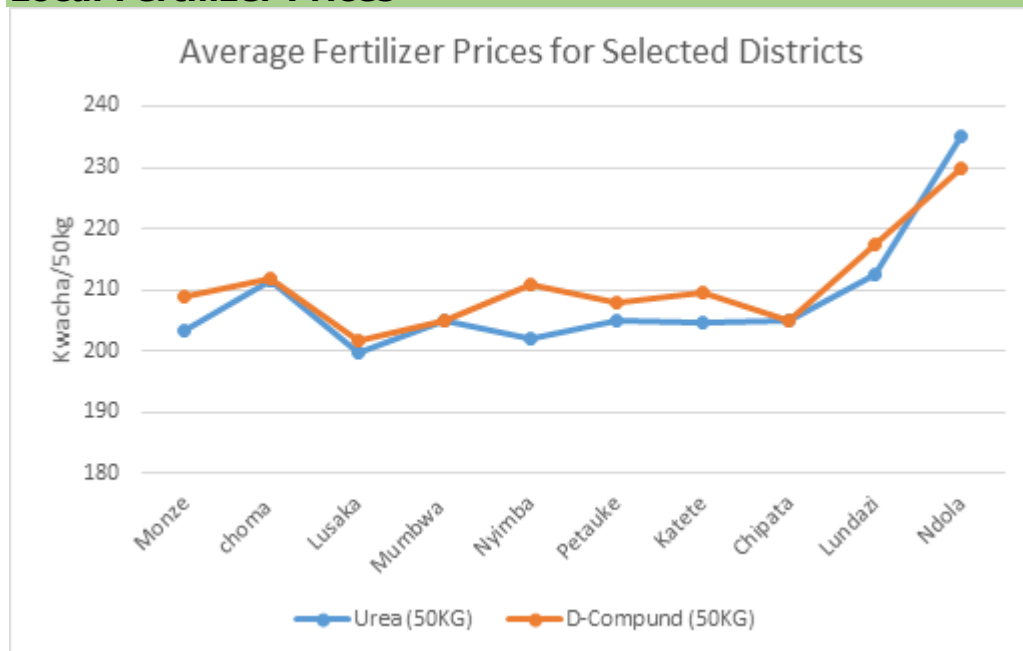
TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Heavy rains forecast throughout the week. ➤ Average daily Temps: 17-27°C
Mkushi	<ul style="list-style-type: none"> ➤ Heavy rains forecast for the 20th & 26th with normal rains on the 21st. the rest of the week is expected to be partly cloudy to cloudy with chances of light showers. ➤ Average daily Temps: 17-26°C
Kabwe	<ul style="list-style-type: none"> ➤ Normal rains forecast for the 27th & 30th with heavy rains the rest of the week. ➤ Average daily Temps: 18-25°C

Lusaka	<ul style="list-style-type: none"> ➤ Normal rains forecast for the 27/01, 30/01, 31/01 & 01/02 with heavy rains the rest of the week. ➤ Average daily Temps: 18-25°C
Mazabuka	<ul style="list-style-type: none"> ➤ Rain showers forecast for the 27th, 28th & 30th with heavy rains the rest of the week save for 2nd February when normal rains are anticipated most of the day. ➤ Average daily Temps: 19-26°C.
Choma	<ul style="list-style-type: none"> ➤ Heavy rains forecast for the 28th & 29th with normal rains on the 2nd and 3rd of February with chances of rain showers the rest of the week. ➤ Average daily Temps: 18-25°C
Livingstone	<ul style="list-style-type: none"> ➤ 27/01 will have partly cloudy to clear skies. Normal rains expected on 28/01, 29/01 & 02/02. heavy rains forecast for 1st February and rain showers the rest of the week. ➤ Average daily Temps: 19-29°C
Mongu	<ul style="list-style-type: none"> ➤ Normal rains expected on the 27th, 28th & 31st with heavy rains the rest of the week. ➤ Average daily Temps: 20-27°C.
Mansa	<ul style="list-style-type: none"> ➤ Heavy rains forecast for the 27th, 28th & 31st with normal rains the rest of the week. ➤ Average daily Temps: 18-27°C.
Kasama	<ul style="list-style-type: none"> ➤ Heavy rains forecast for the 27th-29th with light rains on the 31st and normal rains the rest of the week. ➤ Average daily Temps: 17-25°C.
Solwezi	<ul style="list-style-type: none"> ➤ Normal rains for 27/01 & 02/02 with light rains on the 01/02 with heavy rains for the rest of the week. ➤ Average daily Temps: 17-26°C.
Chipata	<ul style="list-style-type: none"> ➤ Heavy rains forecast throughout the week. ➤ Average daily Temps: 18-26°C.

Source: Norway meteorological Institute

COMMODITY HIGHLIGHTS

Local Fertilizer Prices



Parity Prices

Import Parity Prices

The following import parity prices were compiled by ZNFU as at 21st January, 2015.

Domestic Import Parity Prices as at 21/01/2015					
		US\$/ZAR=11.59	US\$/ZMK=6.50		
Parity Prices	U\$/ZMK	Maize	Soya	Wheat	
Lusaka	6.41	391.92	690.97	506.34	
Town	ZMK	\$	\$	\$	
Chipata	275	42.90	434.82	733.87	549.24
Mkushi	225	35.10	427.02	726.07	541.44
Ndola	250	39.00	430.92	729.97	545.34
Kitwe	250	39.00	430.92	729.97	545.34

Export Parity Prices (Harare Lusaka)

Export Parity Price (EPP) Harare-Lusaka as at 21/01/2015	
Soya Beans	500.6
Wheat	427.5
Maize	320.25

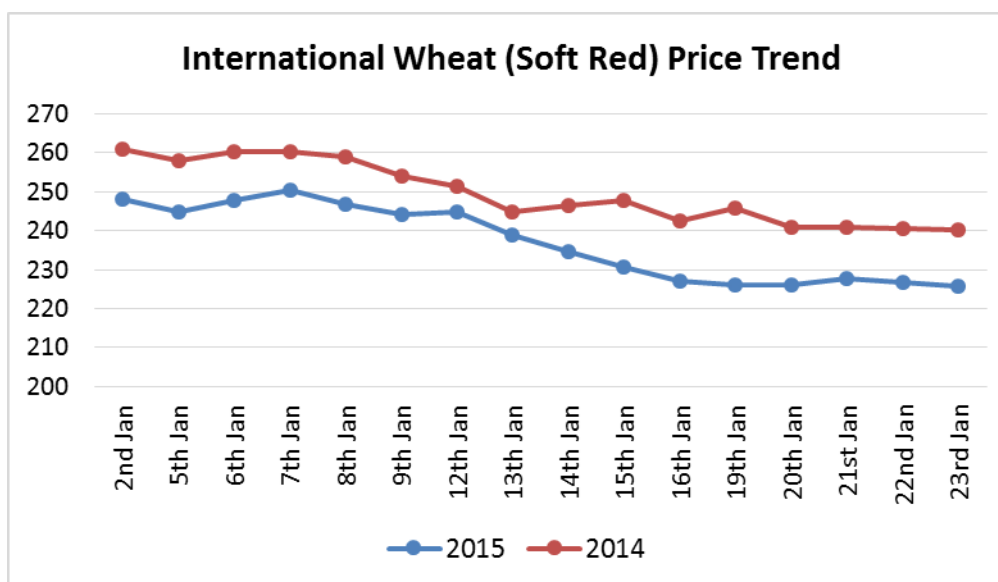
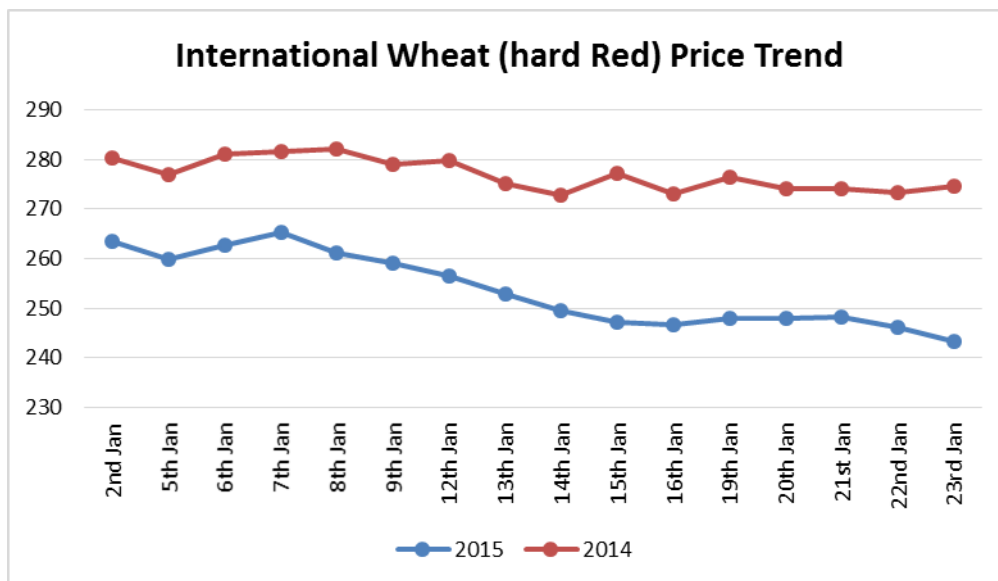
Wheat

Highlights

- The international Grain council (IGC) has projected an increase of 2 %, year-on-year, in the global wheat consumption figures for the 2014/15 year to 708 million tons. Stocks are also expected to hit a five year high.
- Market sentiments have continued to be positive over global wheat prices with Rabobank stating that the price of the commodity is likely to rise on the Chicago exchange by about US\$10/ton in the last quarter of 2015 from the current price floating around US\$202/ton.
- The Chicago wheat future price for delivery in March 2015 settled at US\$ 194.87/MT on Monday morning
- Local wheat offer prices by traders are in the range of ZMK2600-2700/ton in the week ending 24th January 2015.

Price trends

The Safex international soft red and hard red averaged US\$226.64/ton and US\$247.47/ton respectively in the week ending 23rd January 2014. In comparison to the previous week, both wheat varieties recorded price declines of 3.66 and 1.21 percent respectively. All prices fob gulf.



Source: Safex

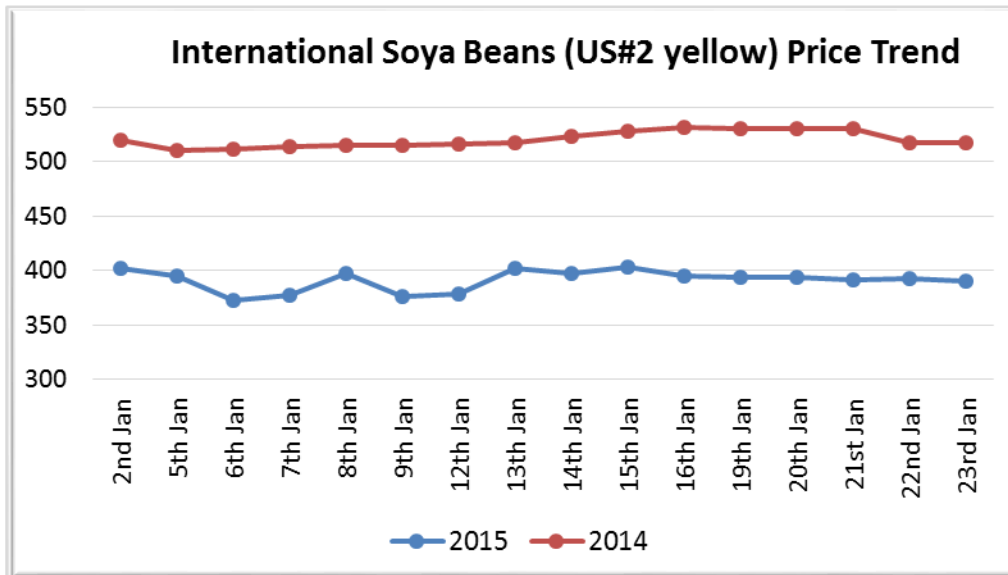
Soya Beans

Highlights

- Asia is expected to drive the rising demand for soy products in 2015 and stimulate the increase in export demand. According to IGC, global use of soya beans is seen to rise by 7 percent. Prices of the commodity are however likely to be lower than last year's as production is expected to increase by about 10 percent to 312 million. On a year on year comparison, exported prices of Argentina, one of the largest producers of the oilseed, dropped by about US\$81/ton on 22nd January 2014.
- The Chicago soybeans futures price for March delivery settled at US\$356.19/MT on the morning of 26th January 2015.
- Zambian trader offer prices on the ZNFU market price information system averaged ZMK2800/ton in the week ending 24th January 2015.

Price trends

International prices of US No. 2 yellow soya beans on Safex during the week ending 23rd January averaged US\$392.83, 0.57% below the previous week's average price of US\$395.10/MT. All prices are fob gulf.



Source: Safex

Maize

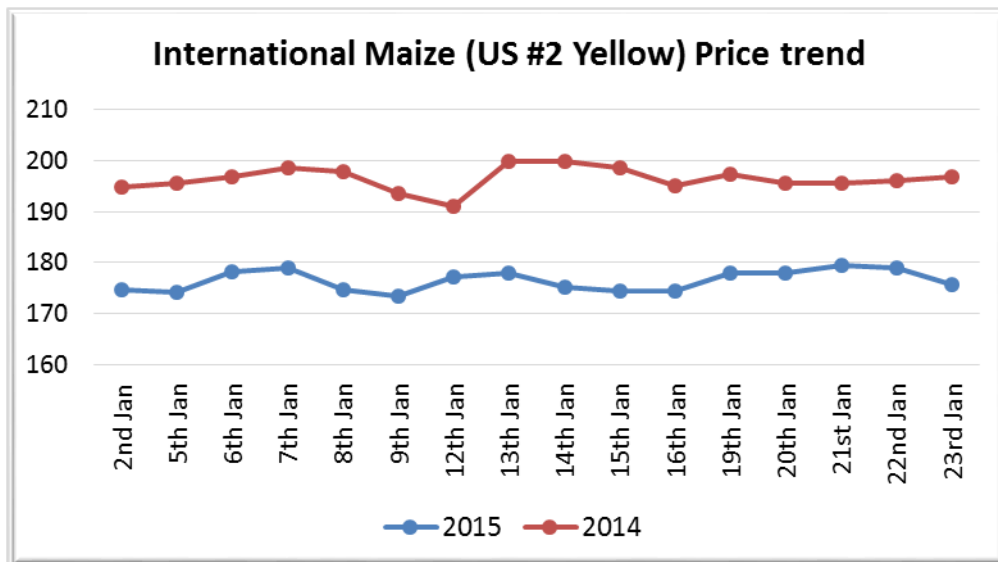
Highlights

- South Africa's weather Service has warned of lower rainfall across the country which may result in to lower yields of the staple crop maize.
- Smaller maize shipments into China are forecast for the 2014/15 year while global production is forecast at an all-time high of 992 million tons by the IGC. The downward pressure on prices is however likely to be compensated by the rising demand of the grain driven by the growing meat and starch demand. The IGC maize production estimates are more optimistic than those released earlier by the US department of agriculture.
- The Chicago maize future price for delivery in March 2015 was posted at US\$ 151.56/MT on Monday 26th January 2015.

- Local maize offer prices averaged ZMK1, 445/ton on the ZNFU market price information system in the week ending 24th January 2015.

Price trends

During the week ending 23rd January, international fob prices as recorded by Safex averaged US\$178.66/ton up by 1.62% in comparison to the previous week.



Source: Safex

Cotton

Highlights

- Mali is on a path to continue increasing its cotton output after hitting a production of 552,000 tons in the 2014/15 year, about 110,000 more than the previous year. Its target for the 2015/16 season currently stands at 650,000 tons and is likely to achieve it given that its government has increased input subsidies.
- Cotton prices on Cotlook settled at 65.80cents/65.80/pound (≈US\$1.45/kg) on 23rd January 2015. CME prices for March delivery on the other hand settled at 57.30 cents/pound (≈US\$1.26/kg).



Source: CME

Beef

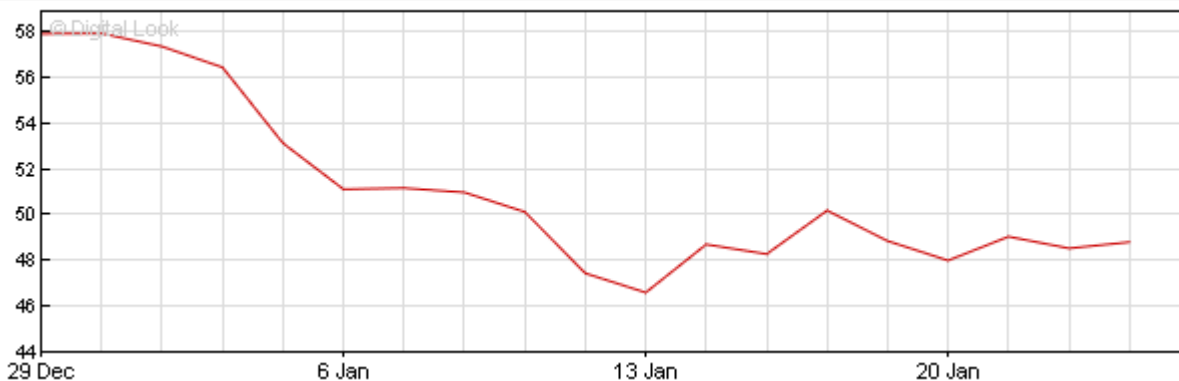
Highlights

- Australia, New Zealand and Uruguay's beef market shares in China are under threat of reduction as Chile finally breaks through as one of the suppliers of beef and Lamb to the Asian states after 2 and half years of negotiation.
- According to the South African feedlot Association, Live cattle and beef carcass was going for ZAR19.21/kg and ZAR32.70/ kg respectively in the week ending 18th January 2015.
- Weaners and heifers, on the Namibian market, were auctioning for about R19.76/Kg and R18.23/kg respectively as of 23rd January 2015. Meanwhile beef in abattoirs was trading at about R32-34.52/Kg for class A meat while class C meat was going for ZAR28.0-28.50/Kg on 26th January 2015.
- Local beef offer prices by most buyers are in the range of ZMK18-20/kg with some offering as high as ZMK27/kg on the ZNFU market price information system.

Crude oil

- American oil drilling activity seem to have been slowed by the declining international crude oil prices according to the country's energy agency.
- Brent crude oil futures were at US\$48.60/barrel while WTI settled at US\$45.65/barrel, 13hrs Monday.
- Oman's settlement price for March 2015, went up slightly in comparison to last week, to settle at US\$46.45/barrel on the Dubai Mercantile Exchange (DME), early Monday morning.

Brent Crude Oil Futures \$/barrel



Source: BBC Business, 2015

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