



THE WEEKLY AGRO WATCH



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2nd February, 2015 Vol.4

Industry Updates

Look out for the Zambian Farmer T.V Program on ZNBC T.V. 1 every Monday, 18:25hrs.

Zambia Records a Trade Deficit

Zambia recorded a trade deficit of ZMK 81.9 million in December 2014 according to data from the Central Statistical Office (CSO). While the traditional exports (mainly metal) increased between November and December 2014, the value of the non-traditional exports reduced from ZMK1, 628.4 million to ZMK987.7million.

Powdered Milk Imports threatening local milk supply

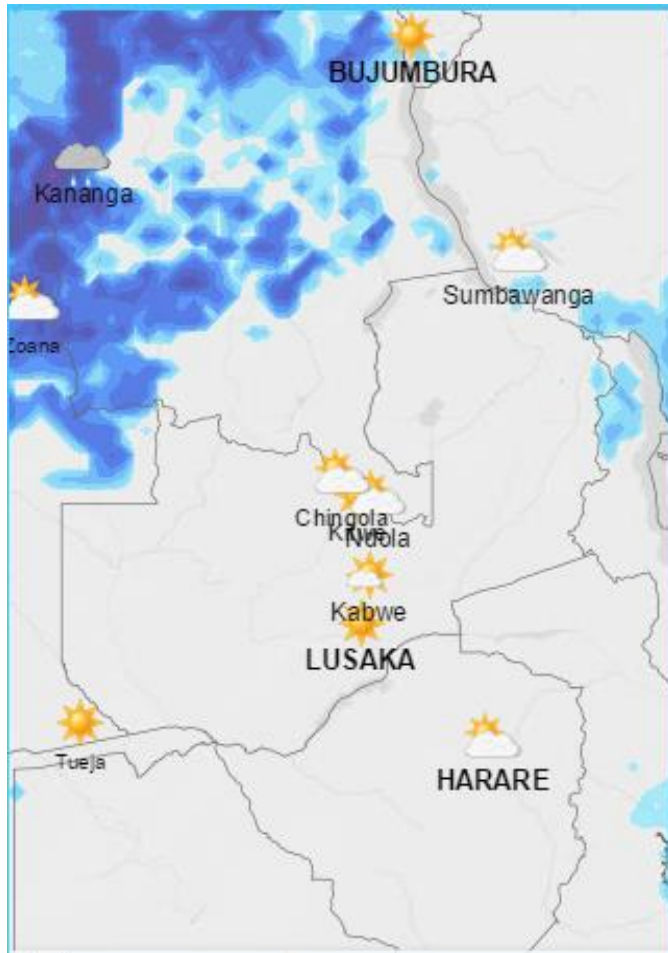
Despite Zambia's local dairy industry recording growth rates of more than 75% in the recent years, there has been continued increase in cheap dairy imports. A review of the ZRA data for the last quarter of 2014 indicates that more than 520 tons of powdered milk was imported from France, South Africa and Uganda. The imported powdered milk is mainly used for production of reconstituted milk which is not only cheaper but also directly competes with locally processed fresh milk purchased from local farmers.

Exchange Rates

CURRENCY	02/02/2015						26/01/2015					
	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)	6.45	6.57	0.56	0.57	9.72	9.91	6.34	6.47	0.56	0.57	9.52	9.71
Standard Chartered Bank	6.45	6.58	0.56	0.57	9.72	9.92	6.39	6.52	0.56	0.57	9.59	9.78
ZANACO	6.45	6.58	0.55	0.57	9.66	9.90	6.37	6.49	0.55	0.57	9.51	9.75
Bank of Zambia (BOZ)interbank	6.47	6.49	0.558	0.56	9.74	9.78	6.37	6.39			9.57	9.59

Weather Forecast

The table summarizes the weather forecast for some selected towns for the period 3rd – 9th February 2015.



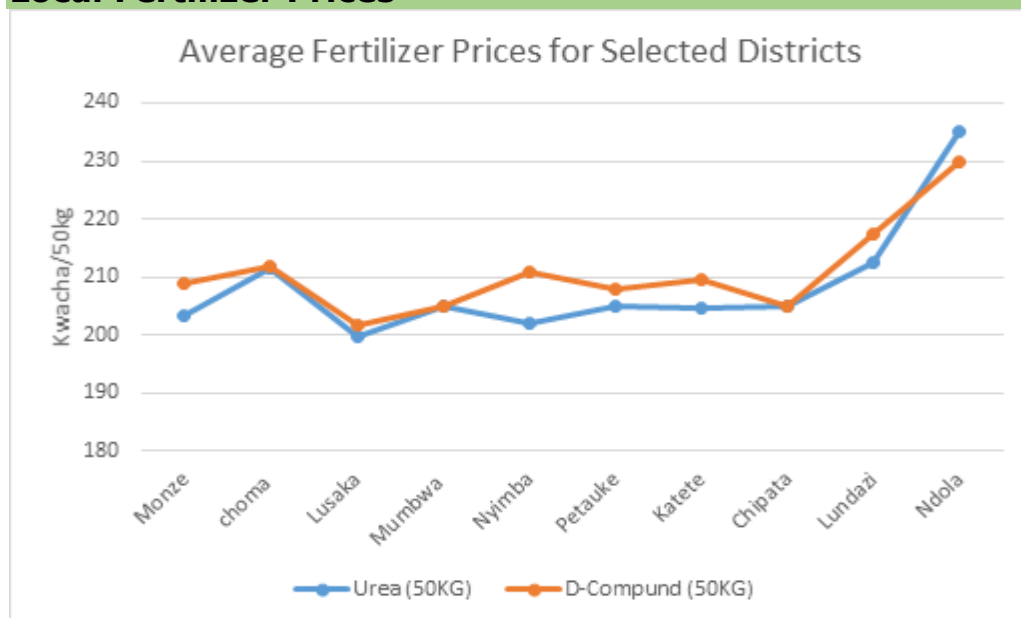
TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Normal rains forecast from the 3rd to 7th save for the 4th when heavy rains are expected. 8th & 9th will be partly cloudy with light rain showers. ➤ Average daily Temps: 18-26°C
Mkushi	<ul style="list-style-type: none"> ➤ Heavy rains expected on the 3rd & 4th and normal rains on the 5th, 6th & 9th. Cloudy skies with rain showers forecast for the 7th & 8th. ➤ Average daily Temps: 19-28°C
Kabwe	<ul style="list-style-type: none"> ➤ Normal rains forecast for the 3rd, 4th & 7th with cloudy skies and

	<ul style="list-style-type: none"> showers forecast for the whole week. ➤ Average daily Temps: 19-29°C
Lusaka	<ul style="list-style-type: none"> ➤ Heavy rains expected on the 3rd & 4th and normal rains on the 8th & 9th with partly cloudy skies the rest of the week. ➤ Average daily Temps: 19-28°C
Mazabuka	<ul style="list-style-type: none"> ➤ Normal rains forecast for the 3rd & 8th and heavy rains on the 4th. The rest of the week will be partly cloudy with chances of light showers. ➤ Average daily Temps: 20-30°C.
Choma	<ul style="list-style-type: none"> ➤ Heavy rains forecast for the 3rd & 4th and normal rains on the 8th & 9th. The rest of the week will have partly cloudy to clear skies. ➤ Average daily Temps: 18-28°C
Livingstone	<ul style="list-style-type: none"> ➤ Normal rains forecast for the 3rd and rain showers on the 4th. The rest of the week will have sunny skies with periods of cloud cover. ➤ Average daily Temps: 19-31°C
Mongu	<ul style="list-style-type: none"> ➤ Heavy rains forecast for the 3rd while normal rains are expected on the 9th. The rest of the week will be partly cloudy to sunny with light rain showers on the 8th. ➤ Average daily Temps: 19-30°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 whole week save for the 9th when normal rains are expected. ➤ Average daily Temps: 17-25°C.
Solwezi	<ul style="list-style-type: none"> ➤ Normal rains forecast for the whole week save for the 5th when heavy rains are expected. ➤ Average daily Temps: 18-29°C.
Chipata	<ul style="list-style-type: none"> ➤ The 3rd will be partly cloudy with normal rains expected the rest of the week save for the 8th when heavy rains are forecast. ➤ Average daily Temps: 18-27°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 30th January, 2015.

Domestic Import Parity Prices as at 30/01/2015					
		US\$/ZAR=11.60	US\$/ZMK=6.57		
Parity Prices		U\$/ZMK	Maize	Soya	Wheat
Lusaka		6.57	402.07	656	518
Town	ZMK	\$	\$	\$	\$
Chipata	275	41.86	443.93	697.86	559.86
Mkushi	225	34.25	436.32	690.25	552.25
Ndola	250	38.05	440.12	694.05	556.05
Kitwe	250	38.05	440.12	694.05	556.05

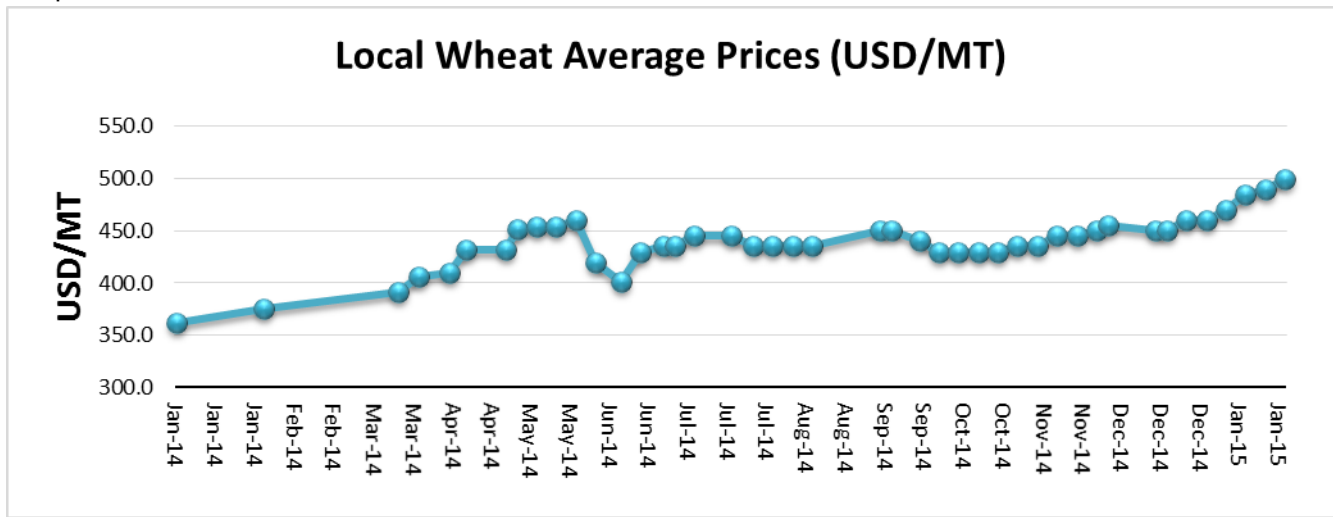
Export Parity Prices (Harare Lusaka)

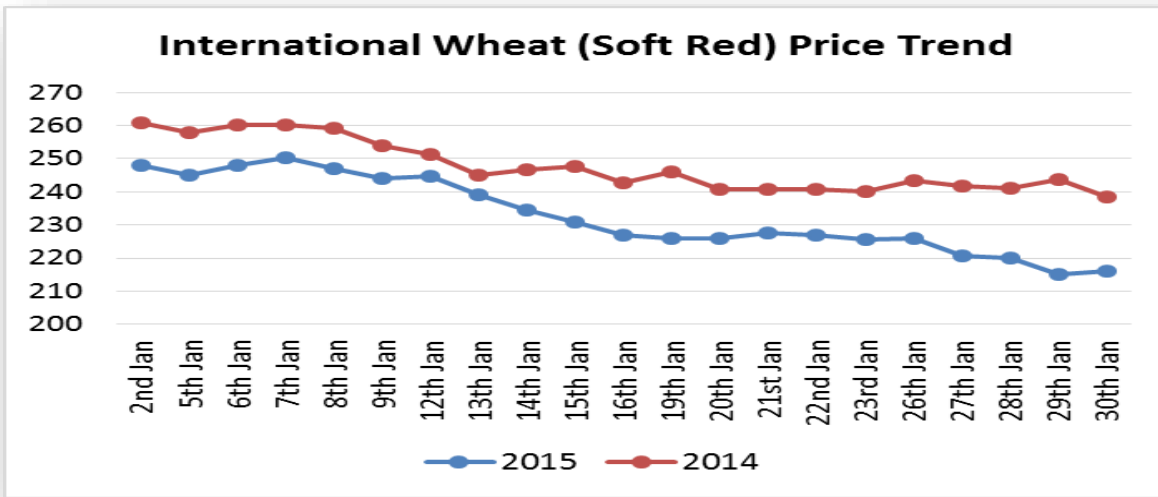
Export Parity Price (EPP) Harare-Lusaka	
Soya Beans	509.16
Wheat	427.5
Maize	320.25

Wheat

Highlights

- South Africa’s final wheat production figures were slightly higher than initially anticipated. The largest wheat grower in Southern Africa produced 928, 000 metric tons in 2014 at an average yield of 3.73tons/hectare. SAGIS data indicates that since the beginning of 2015, South African wheat has been exported to Botswana, Lesotho, Namibia, Swaziland and Zimbabwe.
- Despite the U.S, one of the world’s leading exporters of wheat, producing one of the worst harvests in the recent past, international wheat prices continue to tumble as other countries have adequate stocks. The Chicago wheat future price for delivery in March 2015 settled at US\$ 184.67/MT by end of day on 30th January 2015.
- Local wheat offer prices by traders are averaging US\$500/ton. The prices have maintained an upwards path since November 2014.



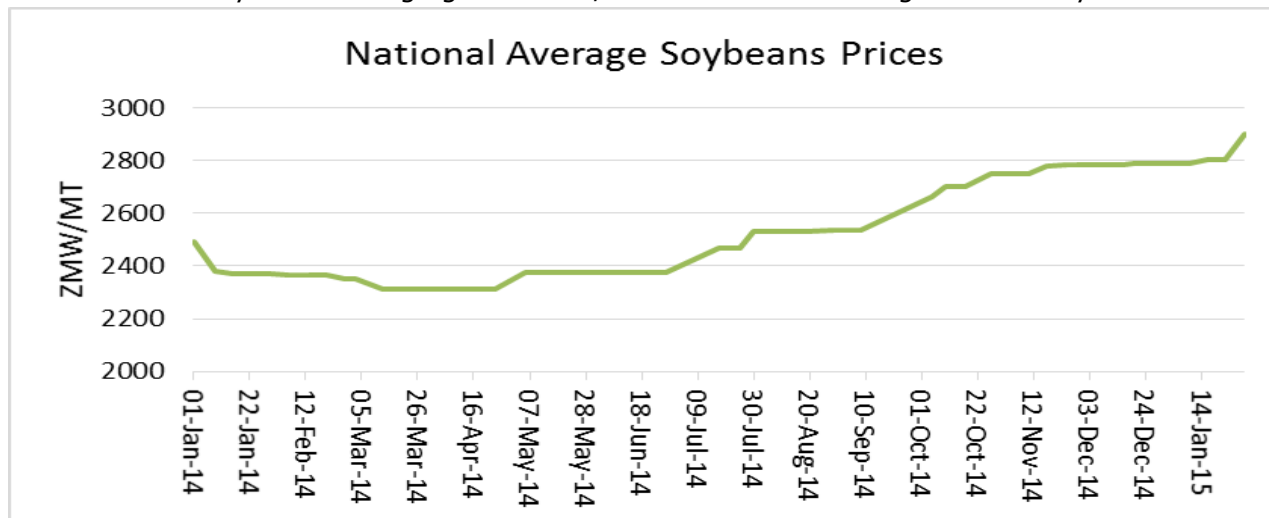


Source: Safex

Soya Beans

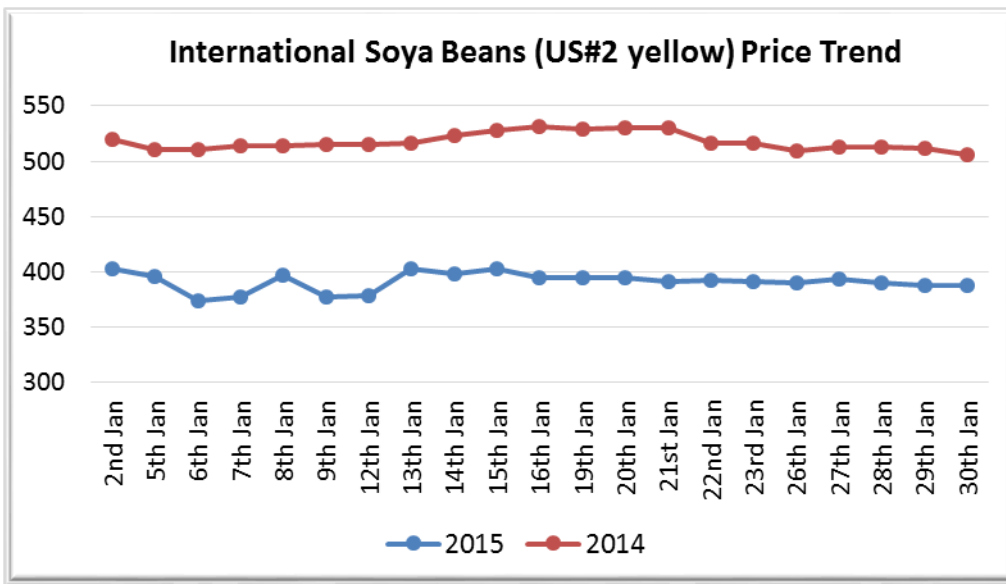
Highlights

- Market sentiments of huge soya beans and sunflower crops are dampening palm oil prices. Palm oil prices dropped by about 8 percent in the last two weeks of January 2015 on the Malaysian market according to data from the Malaysian Palm Oil Council (MPOC).
- Latest estimates indicate that South Africa's 2015/15 season soya beans area planted is up by 23.34 percent from the previous season's plantings. The area planted now stands at 620,300 hectares.
- The Chicago soybeans futures price for March delivery settled at US\$353.13/MT on 30th January 2015.
- Zambian local soya beans prices are edging higher with trader offer prices on the ZNFU market price information system averaging ZMK2900/ton in the week ending 30th January 2015.



Price trends

International prices of US No. 2 yellow soya beans on Safex during the week ending 30th January averaged US\$389.40, 0.76% below the previous week's average price of US\$392.40/MT. All prices are fob gulf.



Source: Safex

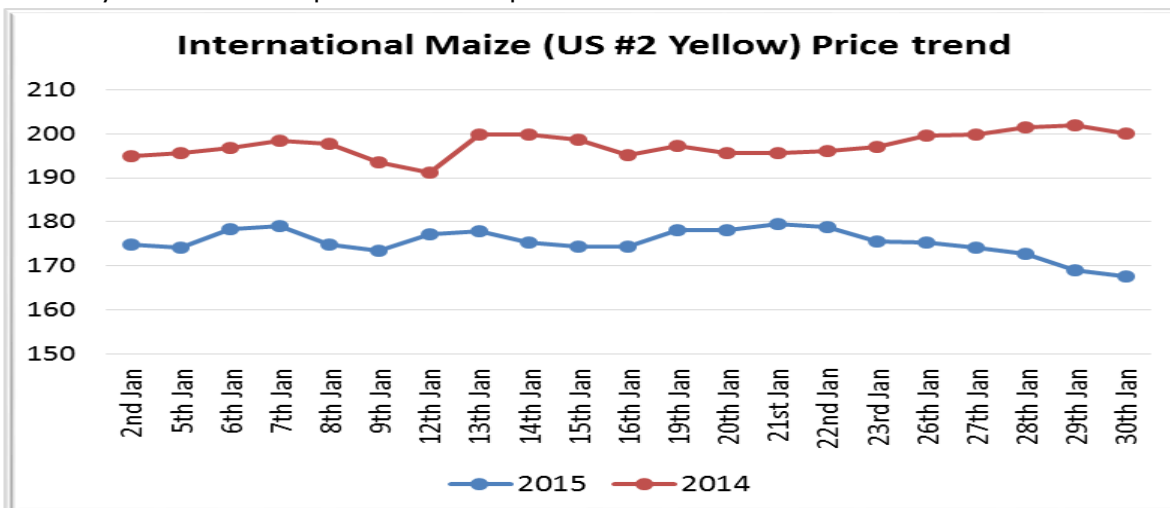
Maize

Highlights

- General indications are that Southern Africa may have a lower crop than last year due to the late on-set of rains and the floods that have hit Malawi and Mozambique.
- Preliminary estimates by South Africa’s Ministry of Agriculture indicate a 4 percent drop, year-on-year comparison, in its white maize area panted to 1.488 million hectares. The area under yellow maize is however 2.8 percent higher.
- The Chicago maize future price for delivery in March 2015 was posted at US\$ 145.66/MT on Monday 2nd February 2015.
- Local maize offer prices averaged ZMK1, 450/ton on the ZNFU market price information system in the week ending 30th January 2015.

Price trends

During the week ending 30th January, international fob prices as recorded by Safex averaged US\$171.73/ton down by 3.55% in comparison to the previous week.

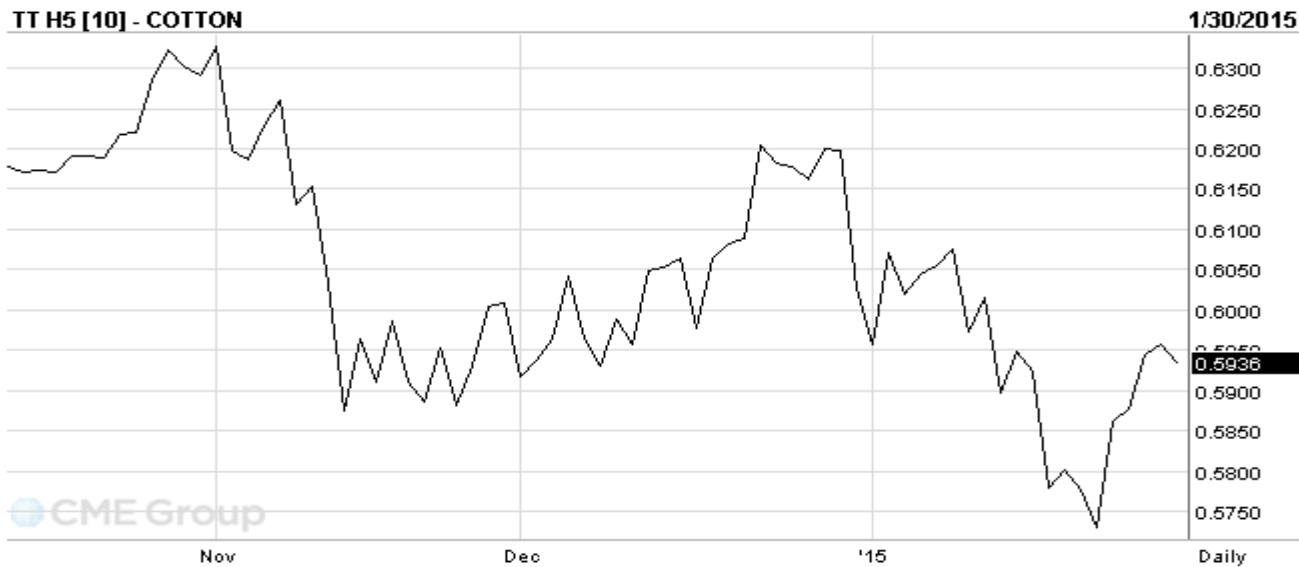


Source: Safex

Cotton

Highlights

- There is still optimism on Brazil's cotton crop with Cotlook reporting a forecast of around 1.5 million tons of lint for the 2014/15 year. The country's yields may however be brought down if the boll weevil infestation is not managed well. Brazil is among the top five producers and exporters of cotton in the world. Therefore huge changes in its crop outlook may affect the trends in the international prices of the commodity.
- Cotton prices on Cotlook settled at 67.05cents/pound (\approx US\$1.48/kg) on 23rd January 2015. CME prices for March delivery on the other hand settled at 59.30 cents/pound (\approx US\$1.31/kg) on 30th January 015.



Source: CME

Beef

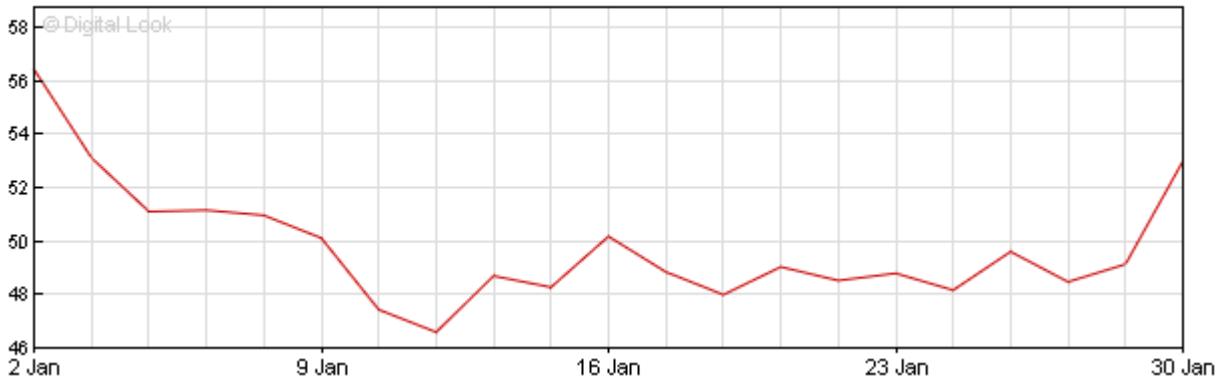
Highlights

- Tests of Bovine Spongiform encephalopathy (BSE or mad cow disease) on a Norwegian Cow were positive and the World Organization has since been informed. Norway has placed restrictions on movements on the farm housing the cow. A country with proven cases of mad-cow disease risks losing its cattle export market.
- Meanwhile, Norway, Botswana and Namibia are currently engaged in discussions on the Southern African Customs Union (SACU) Free trade beef quota. Should Norway's agricultural policy open up to allow competitiveness in its imports, Botswana and Namibia's beef exports to Norway may be negatively affected.
- According to the South African feedlot Association, Live cattle and beef carcass was going for ZAR19.35/kg and ZAR32.90/ kg respectively in the week ending 30th 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 were averaging ZMK18.25-20/kg in the week ending 30th January 2015.

Crude oil

- Crude oil prices have bounced back, settling at above US\$50/barrel as January 2015 came to a close. Reduced oil drilling activities by the US could be behind this hike.
- Brent crude oil futures were at US\$52.49/barrel while WTI settled at US\$47.74/barrel by end of trading on Friday.
- Oman's settlement price for April 2015 contract settled at US\$50.98/barrel on the Dubai Mercantile Exchange (DME) by end of day on 30th January 2015.

Brent Crude Oil Futures \$/barrel



Source: BBC Business, 2015

POULTRY

IRISH POULTRY EXPORTS INCREASE BY 20%

Iris poultry exports increased by 20% in 2014 with much of it heading to the UK to transfer to other markets, according to Irish Food Board. Latest figures show exports continuing to rise, so prospects are good for 2015, explained Brennan, a senior business analyst.

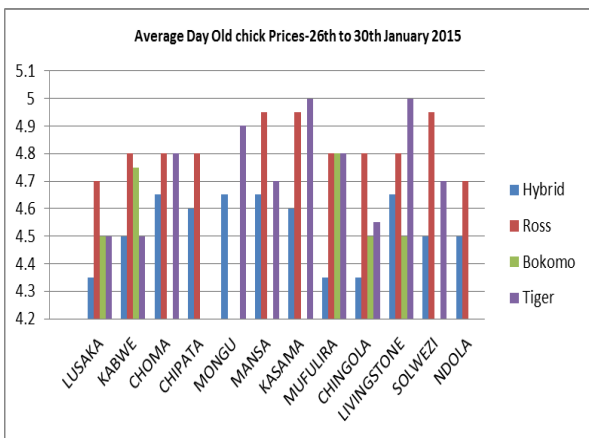
Looking at the rest of Europe, Bord Bia estimates that EU poultry meat production increased by just under 2% in 2014. Imports were about 4% higher, with larger shipments from Brazil and Thailand. Exports increased by similar amount driven by stronger trade to Africa and Asia. Broiler prices across Europe fell by 2% in 2014.

DOMESTIC POULTRY PRICES

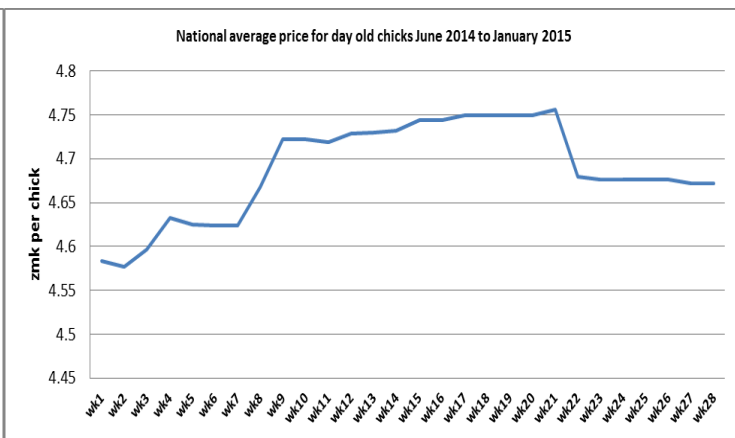
AVERAGE DAY OLD CHICK PRICES

Graph1 shows the price of different brands of day old chicks in selected towns. Compared to the previous week, no significant changes were registered in the towns displayed during the week ending 30th January 2015.

Graph 2 shows the national average price trends for day old chicks for the past seven months from June 2014 to January 2015. The graph further shows that the average national price for day old chicks in week 27 and 28 was static at ZMW4.67.



Source: Poultry Association of Zambia

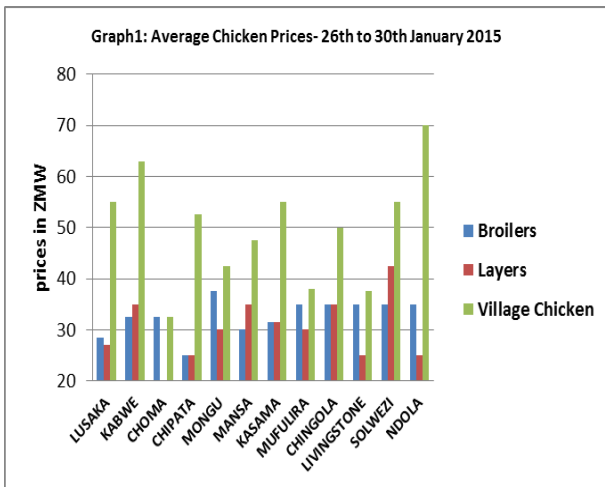


Source: Poultry Association of Zambia

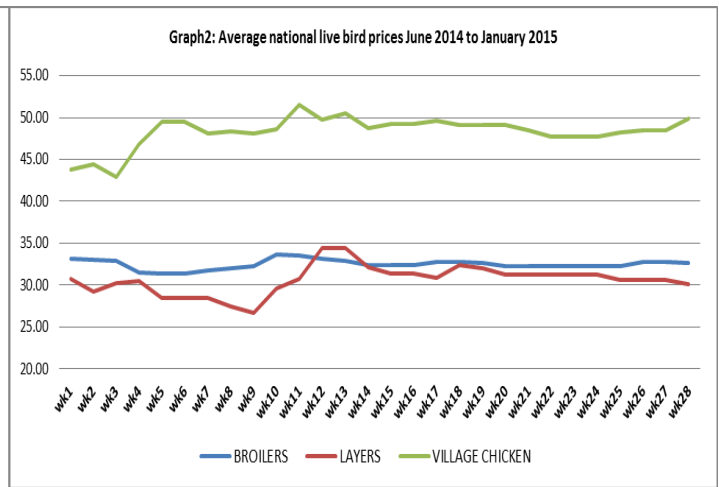
AVERAGE LIVE BIRDS PRICES

Graph1 below shows the average live bird prices in Lusaka, Choma, Kabwe, Chipata, Mongu Mansa, Mufulira, Chingola, Solwezi, Ndola and Livingstone in the week ending 30th January 2015. Compared to the previous week the price of live birds in Choma reduced by 2.9% from ZMW33.5 to ZMW32.5 while the price of broilers in Mansa reduced by 7.7% from ZMW32.5 to ZMW30. Mufulira and Choma registered a reduction in the price of village chicken from ZMW40 to ZMW38 and from ZMW35 to ZMW32.5 representing 5% and 7% price reduction respectively. No other changes were registered in the price of live birds in the towns displayed.

Graph 2 on the other hand shows the national average price trends for broilers, layers and village chickens. The graph shows that while the national average price for village chickens had risen in week 28, the average national price for broilers remained relatively stable and the national average price of layers has declined.



Source: Poultry Association of Zambia

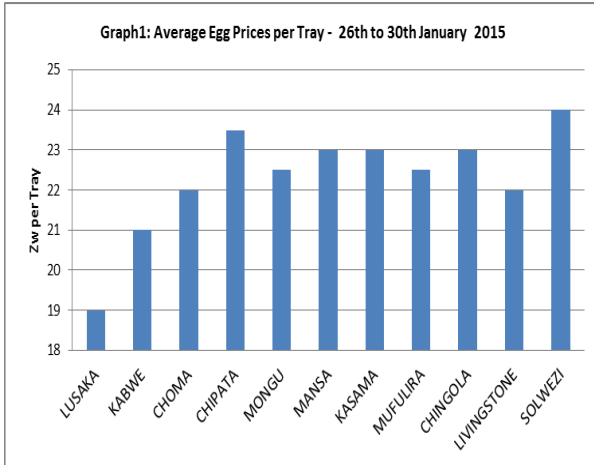


Source: Poultry Association of Zambia

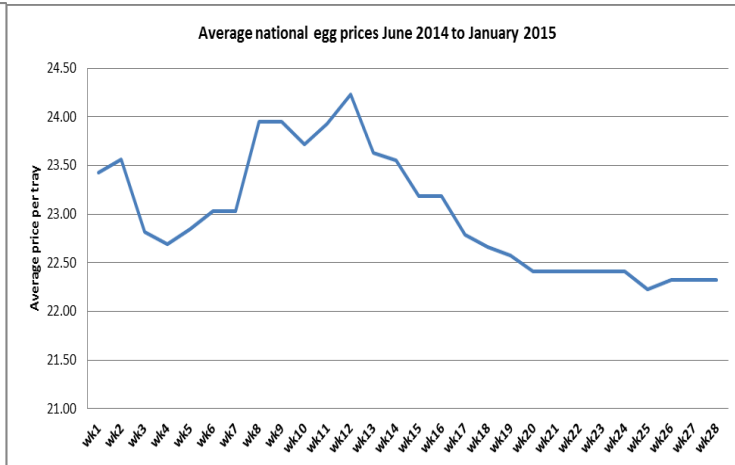
AVERAGE EGG PRICES

Graph1 below shows average retail prices of table eggs in selected provincial centres around the country. No changes were registered in the price of eggs in all towns displayed.

Graph 2 shows the price trend for eggs over a period of seven months from mid-June 2014 to January 2015. The graph shows that national average price for a tray of eggs had been static for a continuous period of three weeks i.e. week 26 to week 28 at ZMW22.32.



Source: Poultry Association of Zambia

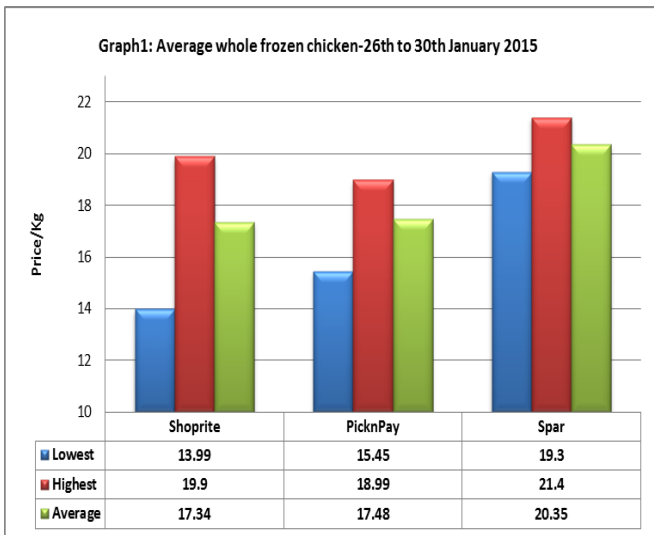


Source: Poultry Association of Zambia

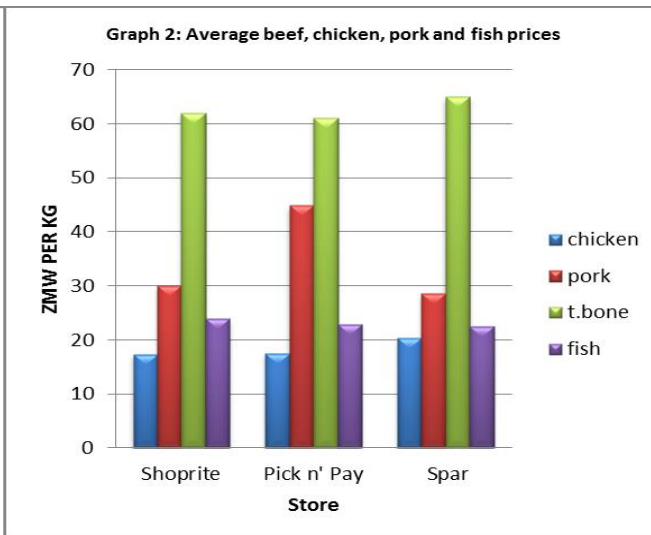
AVERAGE WHOLE DRESSED CHICKEN PRICES

Graph1 below shows average prices of whole frozen chickens in the three chain stores around in Lusaka. The average price of frozen whole chicken in Shoprite was ZMW17.34 with the lowest was going for ZMW13.99 and the highest ZMW19.90. The lowest and highest average price of frozen whole chicken in Spar was ZMW19.30 and ZMW21.40 respectively with average price pegged at ZMW20.35. The average price for frozen whole chicken in Pick n' Pay was ZMW17.48 with the lowest and highest going for ZMW15.45 and ZMW18.99 respectively.

Graph 2 shows the average prices for beef, chicken and Pork products in the three chain stores in lusaka. The graph shows that average price for frozen whole chicken in Lusaka was ZMW18.39 which was relatively cheaper than the minimum of ZMW22.40 charged for fish, ZMW28.50 charged for pork and ZMW61 charged for t.bone in the chain stores.



Source: Poultry Association of Zambia



Source: Poultry Association of Zambia

Graph3 shows the average price trend for whole frozen dressed chicken in Lusaka from June 2014 – January 2015. The graph shows that the average price of whole dressed frozen chicken had experienced an upswing in week 28 after being static for a period of three weeks at ZMW17.69. The average price in week 28 was ZMW18.39.

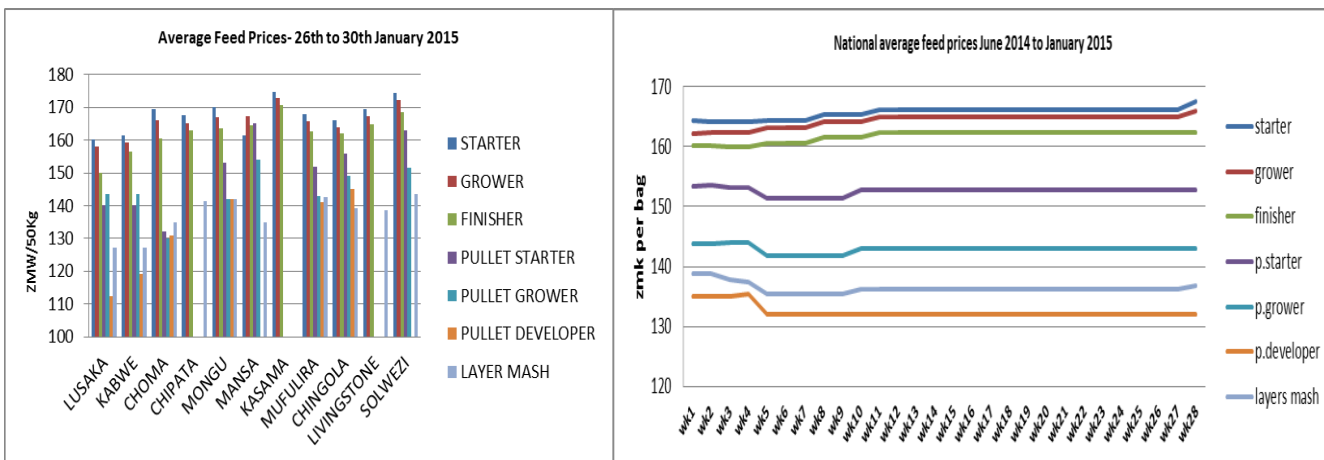


Source: Poultry Association of Zambia

AVERAGE FEED PRICES

Graph 1 show average weekly feed prices in selected towns. The graph shows that the average poultry stock feed prices were lowest in Lusaka and Highest in Kasama and Solwezi. The graph further shows that pullet feeds were generally lower than broiler feeds. No price statistics for pullet feeds were captured for Kasama while only layer mash prices were captured in Chipata and Livingstone.

Graph 2 shows the national average price trend of feed prices for a period of seven months from June 2014 to January 2015. The graph shows that the national average price for most of the feed slightly rose in week 28. This was due to an increase in the cost of feed brought about by an increase in feed input costs.



Source: Poultry Association of Zambia

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