



THE WEEKLY AGRO WATCH



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9th February, 2015 Vol.5

Industry Updates

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

International Food Prices Fall in January

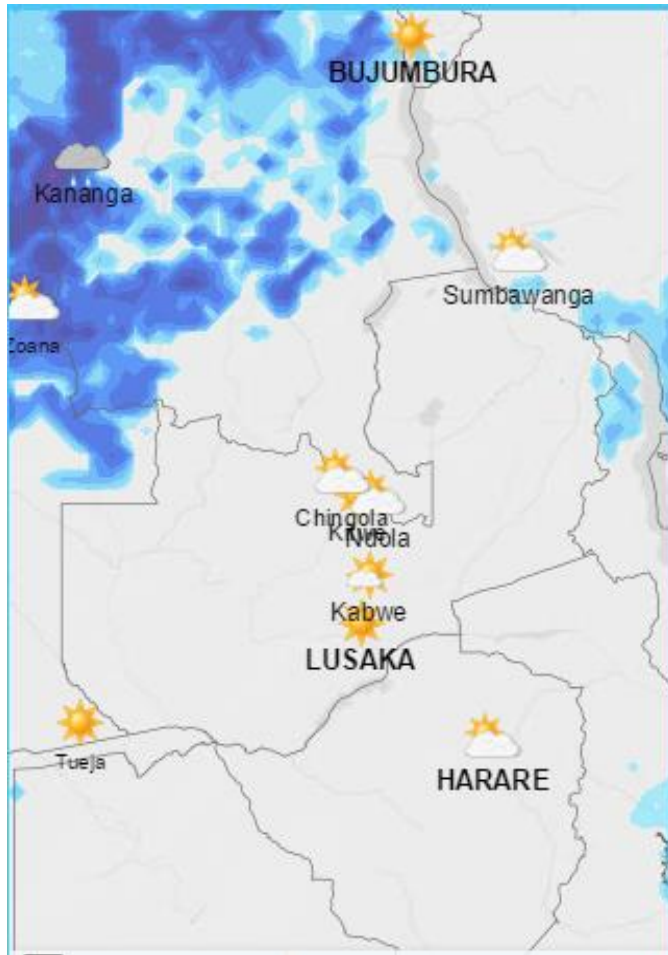
The January 2015 FAO Food Price Index dropped 3.6 points (1.9 percent) from its December value to settle at 182.7 points, indicating an average drop in food prices. Cereals and oils recorded the largest price declines while prices of sugar and dairy products were relatively stable. The FAO Food Price Index has been dropping since April 2014 except for the short spike experienced Last October. The 2014 production of most agricultural commodities by large countries was relatively stable with little disturbance from adverse effects such as bad weather.

Exchange Rates

CURRENCY	09/02/2015						02/02/2015					
	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)	6.50	6.63	0.57	0.58	9.92	10.13	6.45	6.57	0.56	0.57	9.72	9.91
Standard Chartered Bank	6.50	6.63	0.57	0.58	9.93	10.13	6.45	6.58	0.56	0.57	9.72	9.92
ZANACO	6.50	6.63	0.57	0.58	9.92	10.12	6.45	6.58	0.55	0.57	9.66	9.90
Bank of Zambia (BOZ)interbank	6.55	6.57	0.57	0.58	9.97	10.01	6.47	6.49	0.558	0.56	9.74	9.78

Weather Forecast

The table summarizes the weather forecast for some selected towns for the period 10th – 16th February 2015.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Normal rains forecast for the 11th & 15th while the 12th is expected to be cloudy with some light rains. The rest of the week will experience periods of heavy rain. ➤ Average daily Temps: 17-27°C
Mkushi	<ul style="list-style-type: none"> ➤ 10th -12th will be mostly cloudy with normal rainfall. Heavy rains are forecast for the rest of the week. ➤ Average daily Temps:17-27°C
Kabwe	<ul style="list-style-type: none"> ➤ The 10th will be mostly cloudy and normal rains are expected on the 12th. The rest of the week is forecast to experience periods of heavy rain. ➤ Average daily Temps:17-27°C

Lusaka	<ul style="list-style-type: none"> ➤ The 10th will be partly cloudy while the 12th will be partly cloudy with light rain. Normal rains forecast for the 13th & 16th and heavy rains the rest of the week. ➤ Average daily Temps:18-26°C
Mazabuka	<ul style="list-style-type: none"> ➤ The 10th will have clear sunny skies while the 11th will be mostly cloudy. Heavy rains are expected on the 14th and normal rains are forecast for the rest of the week. ➤ Average daily Temps: 18-28°C.
Choma	<ul style="list-style-type: none"> ➤ The 10th will have clear sunny skies while the 11th will be partly cloudy. Heavy rains are expected on the 13th and normal rains are forecast for the rest of the week. ➤ Average daily Temps:16-25°C
Livingstone	<ul style="list-style-type: none"> ➤ The 10th will have clear sunny skies while the 11th -14th will be partly cloudy. Normal rains are forecast for the 15th and heavy rains are on the 16th. ➤ Average daily Temps:19-30°C
Mongu	<ul style="list-style-type: none"> ➤ Partly cloudy to clear sunny skies expected on the 10th &12th.the 11th & 14th will be cloudy with rain showers. The 13th & 15th will have normal rains and heavy rains expected on the 16th. ➤ Average daily Temps: 21-27°C.
Mansa	<ul style="list-style-type: none"> ➤ The 11th&12th will be cloudy with showers while normal rains are forecast for the 13th.Heavy rains forecast 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 12th when clear sunny skies are expected. ➤ Average daily Temps: 17-27°C.
Solwezi	<ul style="list-style-type: none"> ➤ Normal rains forecast for the 12th & 13th with heavy rains the rest of the week. ➤ Average daily Temps: 17-27°C.
Chipata	<ul style="list-style-type: none"> ➤ Normal rains forecast for the 12th-14th with heavy rains the rest of the week.

➤ Average daily Temps: 18-26°C.

Source: Norway meteorological Institute

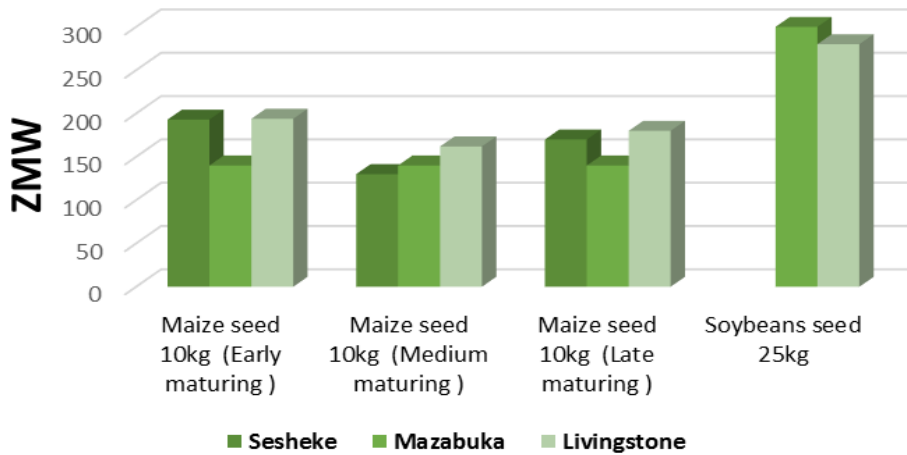
COMMODITY HIGHLIGHTS

Local Fertilizer Prices

Average Fertilizer Prices



Average Seed Prices For Selected Districts



Parity Prices

Import Parity Prices

The following import parity prices were compiled by ZNFU as at 5th February, 2015.

Domestic Import Parity Prices as at 05/02/2015					
US\$/ZAR=11.40 US\$/ZMK=6.62					
Parity Prices		U\$/ZMK	Maize	Soya	Wheat
Lusaka		6.62	424.81	661.77	496.88
Town	ZMK	\$	\$	\$	\$
Chipata	275	41.54	466.35	703.31	538.42
Mkushi	225	33.99	458.80	695.76	530.87
Ndola	250	37.76	462.57	699.53	534.64
Kitwe	250	37.76	462.57	699.53	534.64

Export Parity Prices (Harare Lusaka)

Export Parity Price (EPP)Harare-Lusaka	
Soya Beans	508.42
Wheat	393.37
Maize	295.87

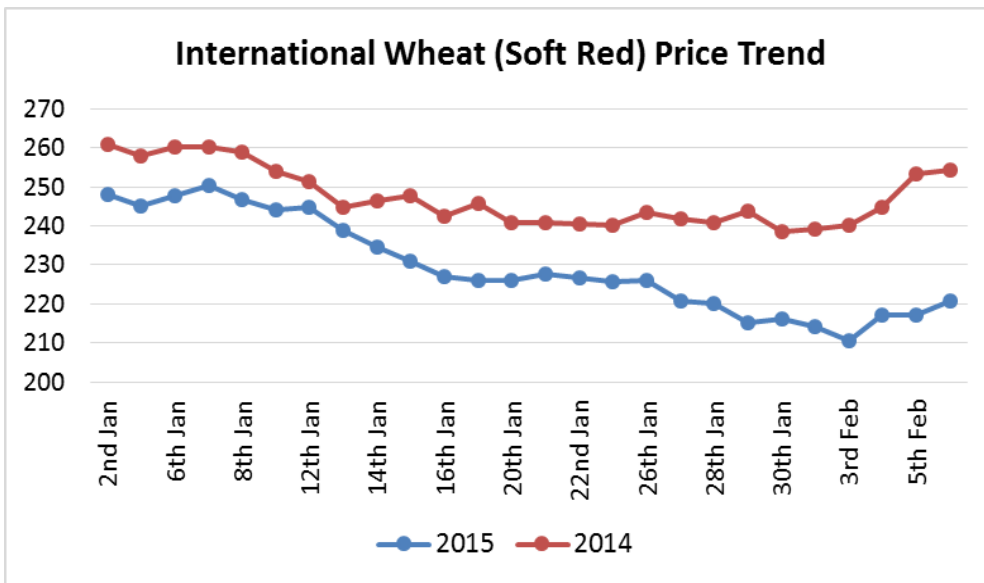
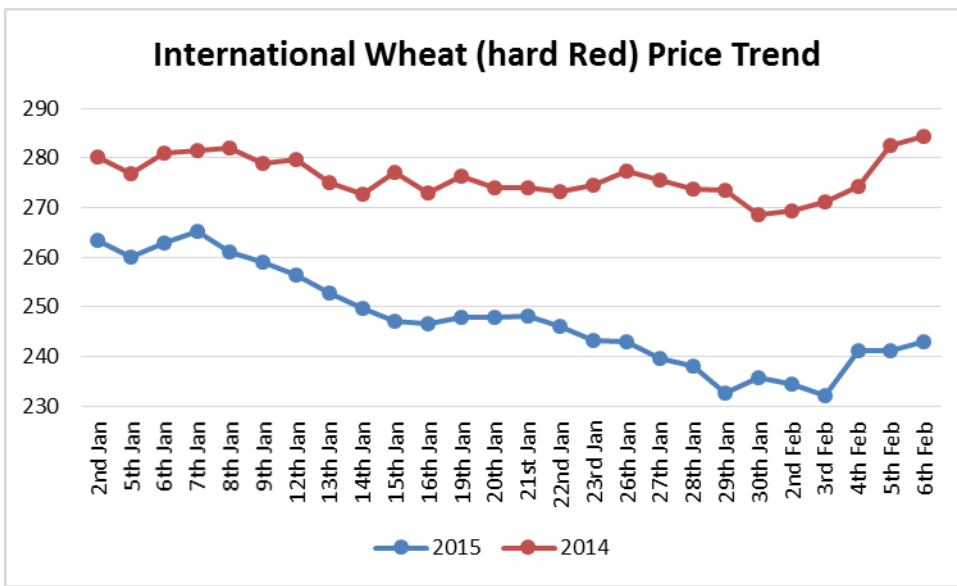
Wheat

Highlights

- The 2014 wheat production by Western Cape of 928,000 metric tons was erroneously reported to be the total wheat production of the country in Volume 4 of the Agro watch. We apologise for the miscommunication. South Africa's final wheat production figures, as captured by the South African government, for 2014 were 1.78 million tons. This falls short of the country's consumption requirement for the 2014/15 year estimated at 3.265 million tons.
- The Chicago wheat future price for delivery in March 2015 settled at US\$ 19191.58/MT by end of day on 6th February 2015.
- Local wheat offer prices by traders were averaging US\$500/ton in the week ending 6th February 2015.

Price trends

The Safex international soft red and hard red averaged US\$216.03/ton and US\$238.41/ton respectively in the week ending 6th February 2015. In comparison to the previous week, both wheat varieties recorded price declines of 1.64 and 0.25 percent respectively. All prices fob gulf.



Source: Safex

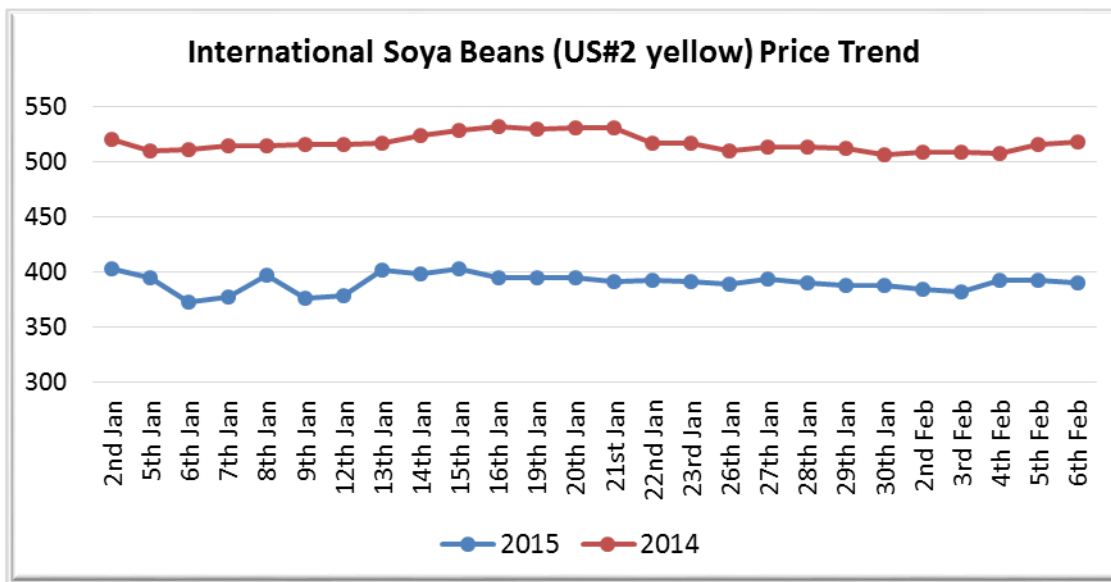
Soya Beans

Highlights

- Zimbabwe's soya beans deficit is forecast to slightly drop with the 2015 output expected to hit 85,000 tons from last year's 80,000 tons. According to the country's commercial farmers union, Zimbabwe has an annual soya bean requirement of 120,000 tons.
- The Chicago soybeans futures price for March delivery settled at US\$361.19/MT on 6th February 2015.
- Zambian local soya beans prices were still averaging ZMK2900/ton on the ZNFU market price information system ending 6th February 2015.

Price trends

International prices of US No. 2 yellow soya beans on Safex during the week ending 6th February averaged US\$388.14, 0.76% below the previous week's average price of US\$389.40/MT. All prices are fob gulf.



Source: Safex

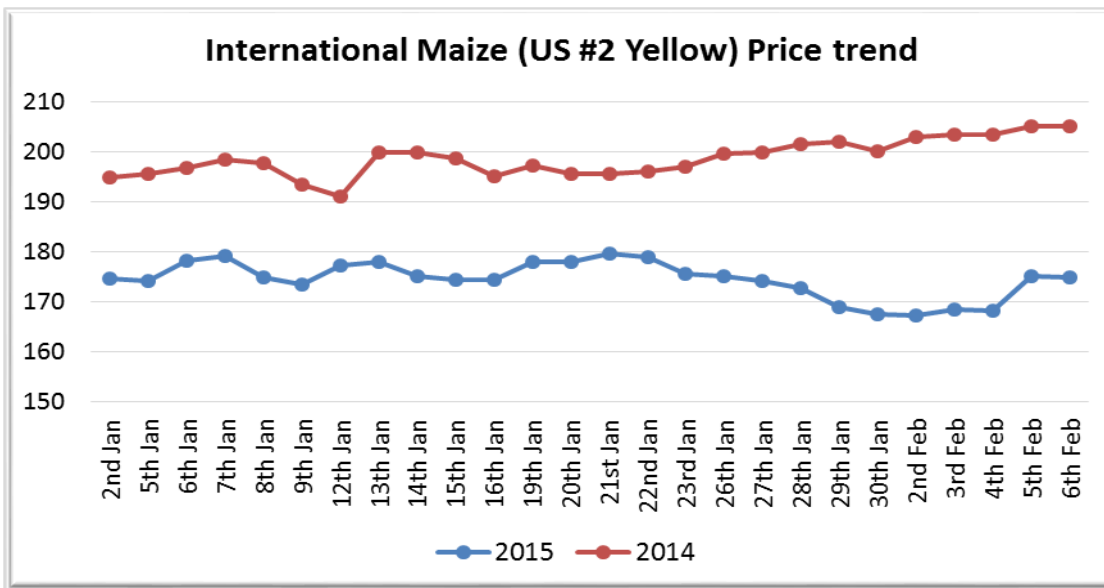
Maize

Highlights

- Kenya's Cereals and Produce Board (NCPB) has suspended its purchases after running out of resource. The maize price on the Kenyan market rose from about 13000 shillings per ton in November 2014 to around 22,000 shillings (approx. US\$241.18/ton) in January 2015 when the NCPB entered the market. Suspension of the NCPB purchases is therefore likely to bring down prices. Kenya has a maize import requirement for the 2014/15 year, ending 31st July, of 900 000MT.
- Preliminary estimates by the Commercial farmers Union of Zimbabwe indicate a drop in Zimbabwe's maize crop from last year's 1.4 million tons to about 1 million tons in 2015. The lower maize plantings due to the late onset and an inclination towards tobacco production as opposed to maize have been cited to be the major reasons behind this expected drop.
- Meanwhile, Zimbabwe's government has issued interim import permits to beef up strategic reserves. The permits will expire in three months' time when local harvesting is expected to begin. The country is reported to have a four months grain cover.
- The Chicago maize future price for delivery in March 2015 was posted at US\$ 151.96/MT on 6th 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 6th February, international fob prices as recorded by Safex averaged US\$170.80/ton down by 0.54% in comparison to the previous week.

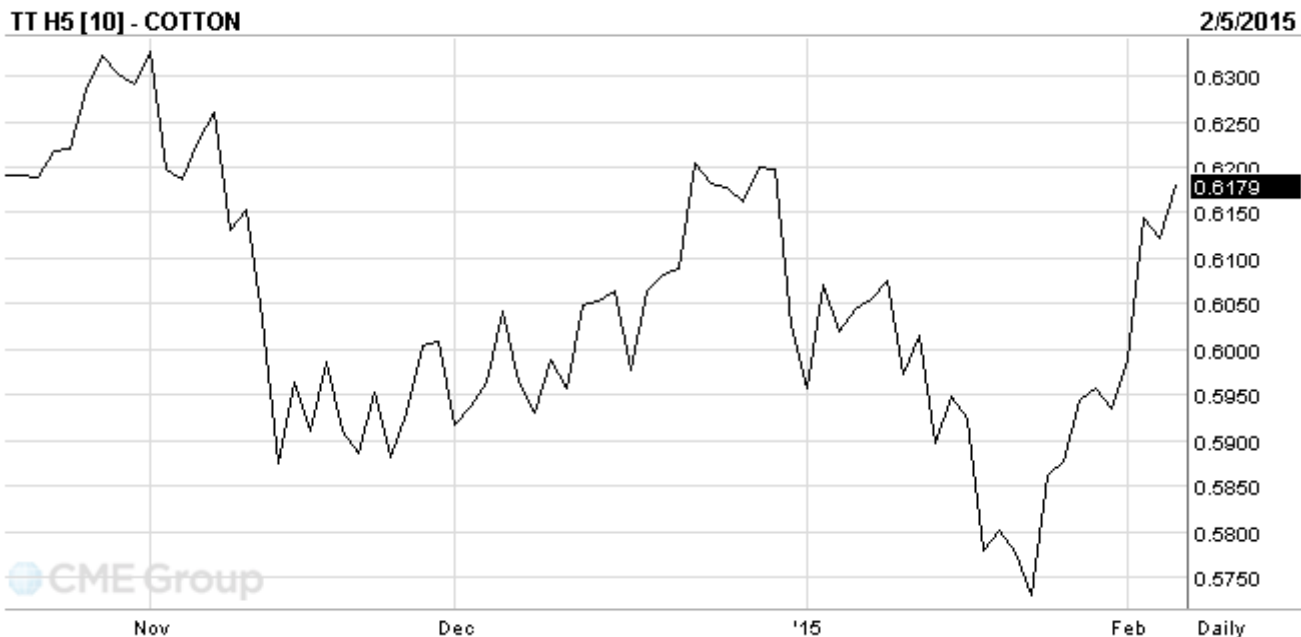


Source: Safex

Cotton Highlights

- Chinese cotton shipments are forecast to drop from 3.1 million shipped in the 2013/14 season to 1.3 million tons in 2014/15 season according to cotton outlook estimates. The drop is due to the Chinese economies reiterated stance to restrict the tariff rated quota to 894,000 tons. Cotlook data indicates that the country only has 535,000 tons more to import for the 2014/15 season which ends on 31st July.
- Meanwhile world cotton stocks are estimated higher in the 2014/15 season than the previous year with most being held outside China. There is therefore little hope of a sustained price recovery despite the recent price hikes.
- Cotton prices on Cotlook settled at 68.60cents/pound (\approx US\$1.51/kg) on 5th February 2015. CME prices for March delivery on the other hand settled at 61.79 cents/pound (\approx US\$1.38/kg) on 5th February 2015.

TT H5 [10] - COTTON



Source: CME

Beef

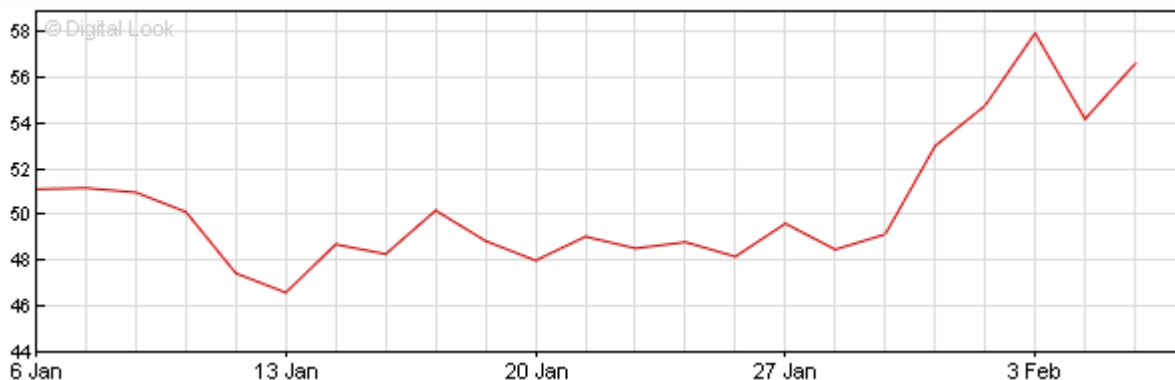
Highlights

- Research is underway in the U.S on the production of "3-D" meat. New York Based Modern Meadow Inc. has a long term project which involves use of 3-D technology to develop biomaterials that will enable it produce meat in the lab without slaughtering animals. The question that arises is whether this technology will replace the farmers' conventional way of producing meat.
- According to the South African feedlot Association, Live cattle and beef carcass was going for ZAR20.88/kg and ZAR32.81/ kg respectively in the week ending 30th January 2015.
- Weaners and heifers, on the Namibian market, were auctioning for about R18.28/Kg and R17.25/kg respectively as of 30th 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 2nd February 2015.
- Local beef offer prices by most buyers were averaging ZMK18.0/kg in the week ending 6th February 2015.

Crude oil

- Crude oil prices are taking a 'yo-yo' ride and rallied upwards in the week beginning 1st February with Brent futures settling at US\$58.17/ barrel on Friday 13:00hrs CAT. WTI oil was hovering around US\$51.97/barrel. The rising violence in Libya and the Central bank easing in China by injecting more money into the economy helped fuel up the crude oil prices from their doldrums.
- Meanwhile Saudi Arabia has taking a step backwards in its months of price cuts to U.S buyers and increased its prices while offering more security to its Asian market by reducing its prices to Asian buyers. During the month of January 2015, the U.S crude oil imports, according to the International Energy agency, were up by 0.5 % on a year-on-year comparison.
- Oman's settlement price for April 2015 contract settled at US\$54.65/barrel on the Dubai Mercantile Exchange (DME) early morning 6th February 2015.

Brent Crude Oil Futures \$/barrel



Source: BBC Business, 2015

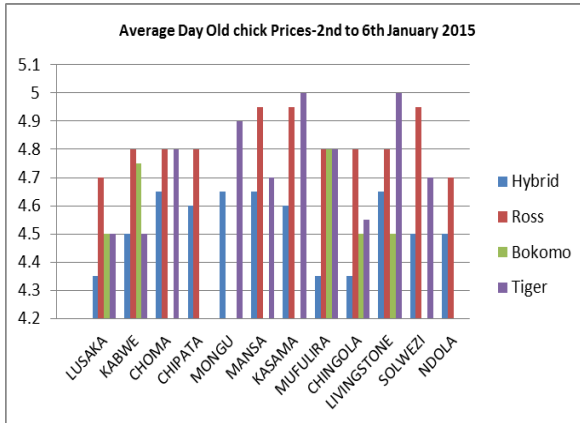
POULTRY

DOMESTIC POULTRY PRICES FOR WEEK ENDING 6TH FEBRUARY 2015

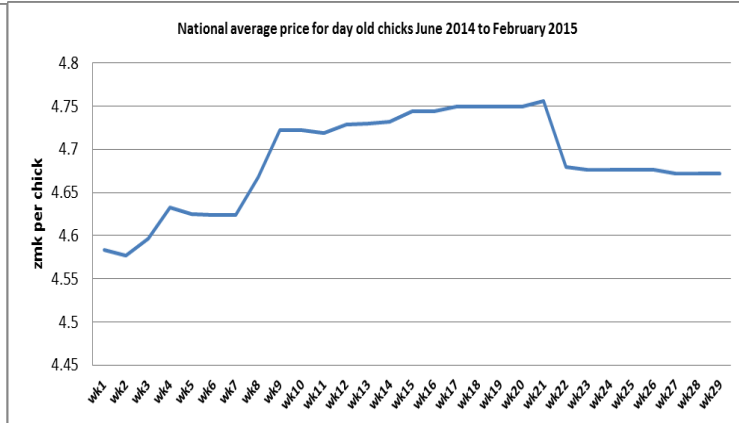
AVERAGE DAY OLD CHICK PRICES

Graph1 shows the price of different brands of day old chicks in selected towns. The price of day old chicks remained stable during the course of the week with no notable changes in all towns displayed.

Graph 2 shows the national average price trends for day old chicks for the past eight months from June 2014 to February 2015. The graph further shows that the average national price for day old chicks has been static for a continuous period of three weeks at ZMW4.67.



Source: Poultry Association of Zambia

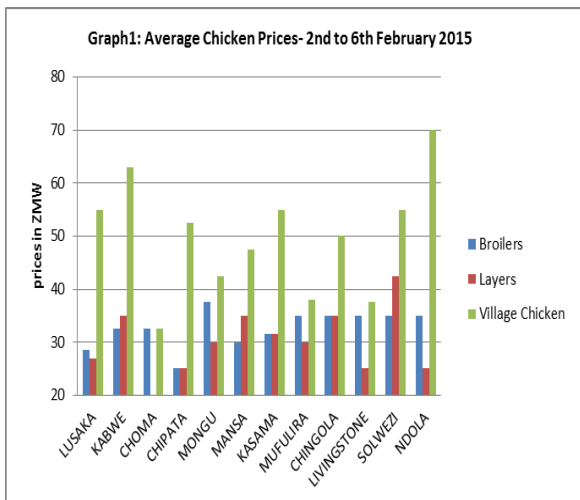


Source: Poultry Association of Zambia

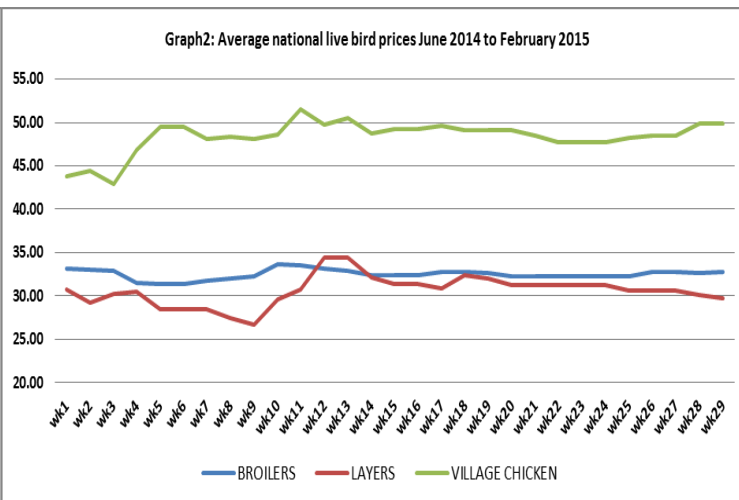
AVERAGE LIVE BIRDS PRICES

Graph1 below shows the average live bird prices in Lusaka, Choma, Kabwe, Chipata, Mongu Mansa, Mufulira, Chingola, Solwezi, Ndola and Livingstone. The price of broilers in Choma ROSE by 2.9% from ZMW32.50 to ZMW33.5 while the price of layers in Solwezi declined from ZMW42.5 to ZMW37.5 representing 11.76% price reduction. The rest of the prices in the rest of the towns remained stable.

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 broilers and village chickens remained relatively stable the national average price of layers declined to ZMW29.70 in week 29 from ZMW 30.12 in week 28.



Source: Poultry Association of Zambia

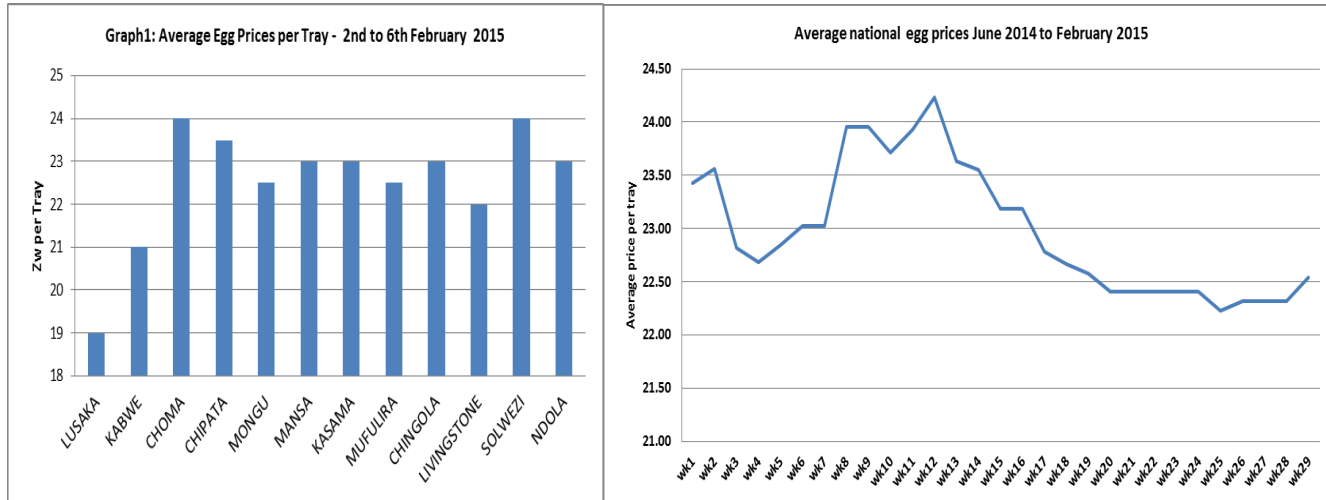


Source: Poultry Association of Zambia

AVERAGE EGG PRICES

Graph1 below shows average retail prices of table eggs in selected provincial centres around the country. Apart from a 9% price increase in the price of eggs in Choma from ZMW22 to ZMW24, no other changes were registered in the towns displayed.

Graph 2 shows the price trend for eggs over a period of eight months from mid-June 2014 to February 2015. The graph shows that national average price for a tray of eggs rose to ZMW22.54 last week after being static at ZMW22.32 for three weeks.



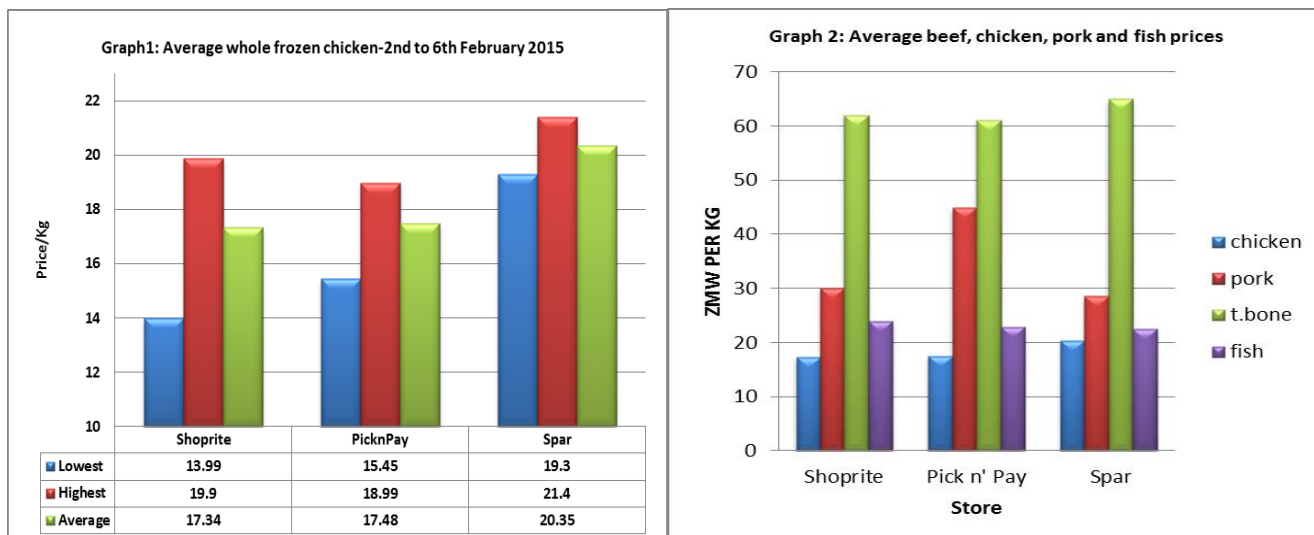
Source: Poultry Association of Zambia

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. Spar was posting highest average price for frozen whole chickens among the three stores at ZMW20.35 with the lowest and highest average price pegged at ZMW19.30 and ZMW21.40 respectively. Shoprite had the lowest average price at ZMW17.34 with the lowest going for ZMW13.99 and the highest going for ZMW19.90. 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 chicken was the cheapest protein in all the three 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 – February 2015. The graph shows that the average price of whole dressed frozen chicken has been static the past two weeks at ZMW18.39.

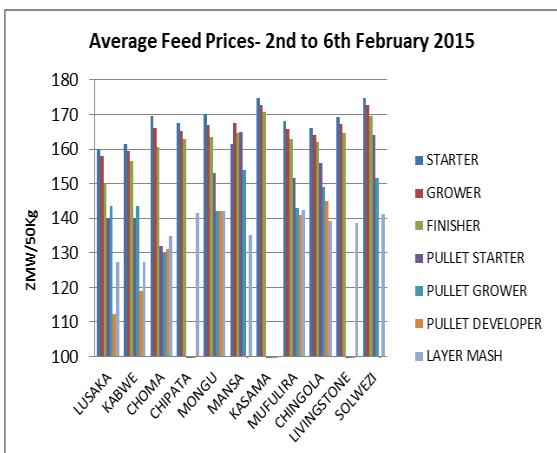


Source: Poultry Association of Zambia

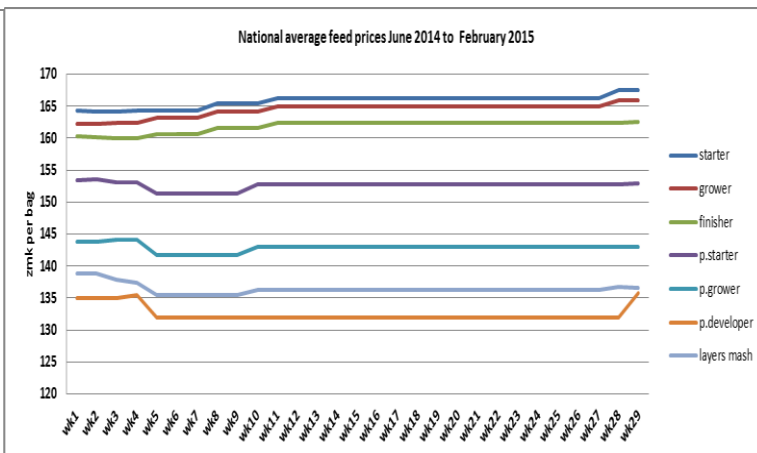
AVERAGE FEED PRICES

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 Kabwe and Highest in Kasama and Solwezi. The graph further shows that pullet feeds were generally priced 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 stockfeed for a period of eight months from June 2014 to february 2015. The graph shows that while the national average price for most poultry feeds remained stable during the course of the week, the price of pullet developer experienced an upswing. This could be attributed to a rise in the cost of feed inputs.



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