



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

16th February, 2015 Vol.6

Industry Updates

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

2014 Preliminary GDP at 6 percent

During the first quarter 2015 Monetary Policy Committee meeting held on 11th February 2015, the committee decided to maintain the Policy rate at 12.5 percent. The Bank of Zambia noted that the annual inflation rate was on a more favourable path towards the end year target of 7 percent than earlier anticipated last November. The Central bank indicated that Key variables on which it has an influence, such as domestic credit and money supply, suggest less inflationary concerns going into 2015.

Preliminary 2014 GDP figures in the Bank of Zambia communique were pegged at 6.0%, down from 2013's 6.7%. Non mining output grew by 7 percent in 2014 and this growth was mainly driven by transport, storage and communications; construction; financial institutions and insurance; agriculture, forestry and

fishing; wholesale and retail trade; and community, social and personal services sectors. Mining and quarrying output on the other hand shrank by 1.4 percent

Cabinet Unveiled

The President of the Republic of Zambia, His Excellency Edgar C. Lungu, unveiled most of his cabinet members last week. The President is still in charge of the Ministry of Defence with the following constituting cabinet in their respective portfolios:

1. INONGE WINA-Vice President
2. ALEXANDER CHIKWANDA-Minister of Finance and National Planning
3. NGOSA SIMBYAKULA- Minister of Justice
4. DAVIES MWILA- Minister of Home Affairs
5. HARRY KALABA – Minister of Foreign Affairs
6. JEAN KAPATA – Minister of Tourism and Arts
7. GIVEN LUBINDA-Minister of Agriculture and Livestock
8. CHRISTOPHER YALUMA- Minister of Mines/Energy /water development.
9. YAMFWA MUKANGA-Minister of Transport, Works, Supply and Communication
10. MICHAEL KAINGU- Minister of Education
11. JOHN PHIRI- Minister of Local Government and housing
12. MARGARET MWANAKATWE- Minister of Commerce, Trade and Industry
13. EMERINE KABANSI- Minister Community Development, Mother and Child Health
14. CHRISTABEL NGIMBU- Minister of Lands, Natural Resources and Environmental Protection
15. JOSEPH KATEMA- Minister of Chiefs
16. JOSEPH KASONDE- Minister of Health
17. CHISHIMBA KAMBWILI- Minister of Information and Broadcasting Services
18. VINCENT MWALE-Minister of Youth and Sports

19. NKANDU LUO- Minister of Gender

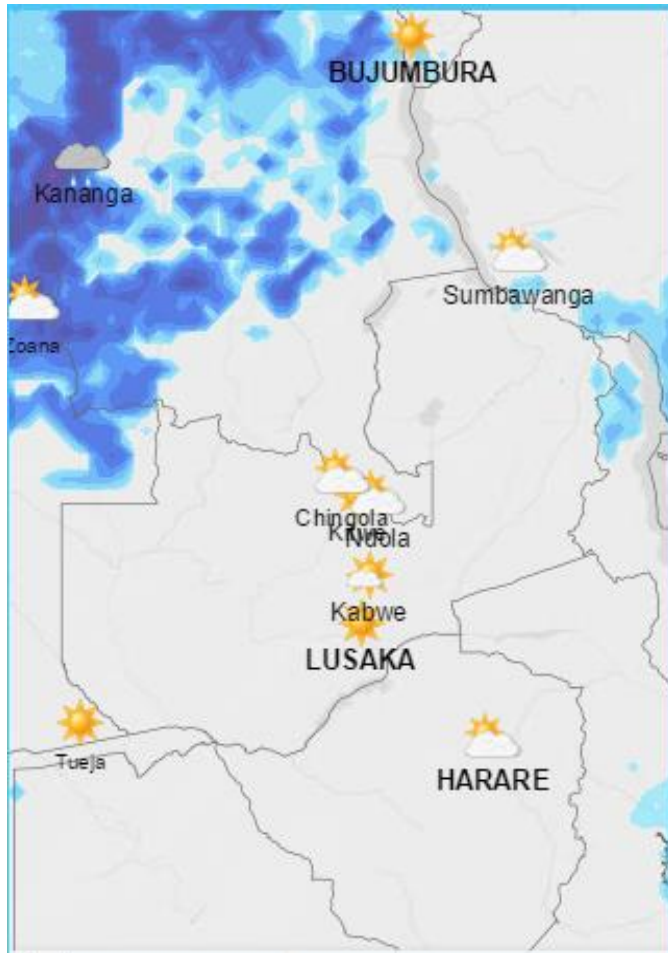
20. FACKSON SHAMENDA – Minister of Labour and Social Security

Exchange Rates

CURRENCY	16/02/2015						09/02/2015					
	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)	6.62	6.75	0.57	0.58	10.21	10.42	6.50	6.63	0.57	0.58	9.92	10.13
Standard Chartered Bank	6.65	6.78	0.57	0.58	10.26	10.46	6.50	6.63	0.57	0.58	9.93	10.13
ZANACO	6.63	6.77	0.57	0.58	10.19	10.45	6.50	6.63	0.57	0.58	9.92	10.12
Bank of Zambia (BOZ)interbank	6.67	6.69	0.57	0.58	10.25	10.29	6.55	6.57	0.57	0.58	9.97	10.01

Weather Forecast

The table summarizes the weather forecast for some selected towns for the period 17th – 23rd February 2015.



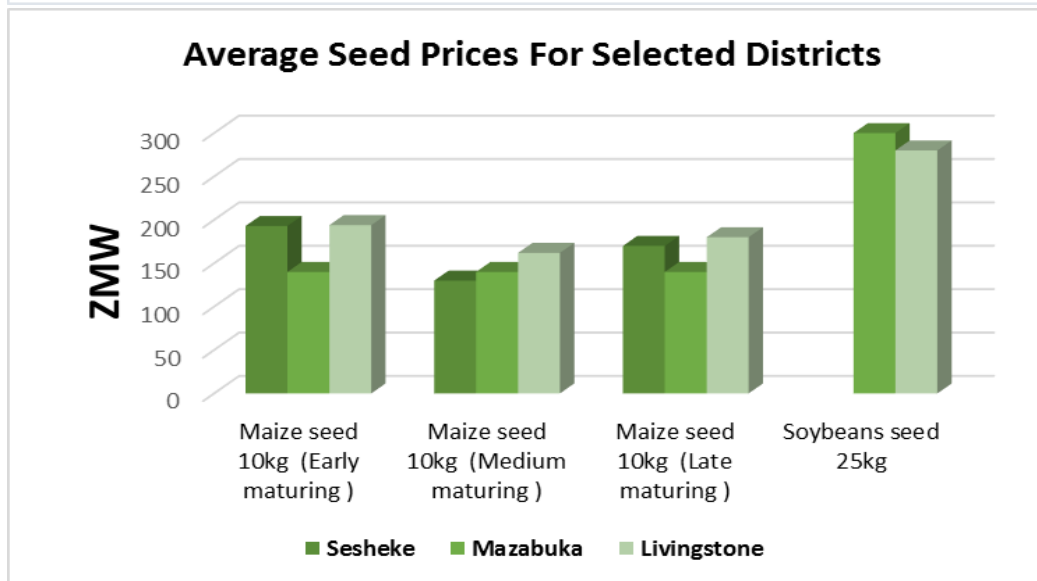
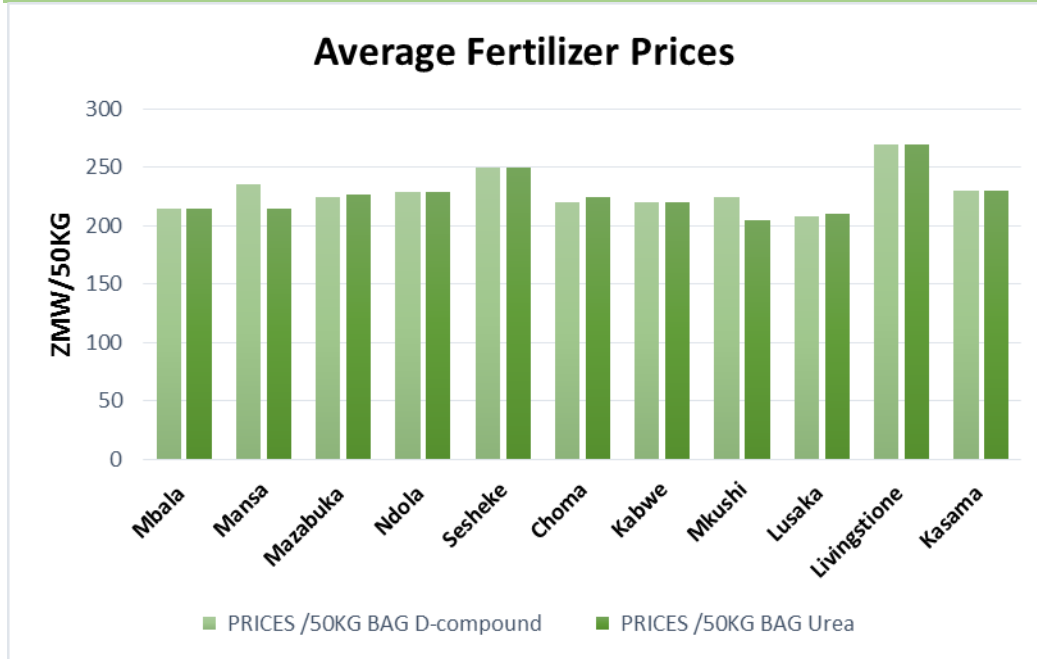
TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Normal rains forecast for the 17th, 20th & 21st and rain showers on the 18th. The rest of the week will be partly cloudy with chances of light showers. ➤ Average daily Temps: 17-27°C
Mkushi	<ul style="list-style-type: none"> ➤ Normal rains forecast for the 17th & light rain showers on the 18th. The rest of the week will be partly cloudy with chances of showers. ➤ Average daily Temps: 18-25°C
Kabwe	<ul style="list-style-type: none"> ➤ Normal rains forecast for the 17th and rain showers on the 18th and 19th. The rest of the week will be mostly partly cloudy. ➤ Average daily Temps: 17-28°C
Lusaka	<ul style="list-style-type: none"> ➤ Rain showers forecast for the 17th & 18th with the rest of the week

	<ul style="list-style-type: none"> ➤ being partly cloudy to clear sunny skies. ➤ Average daily Temps: 18-27°C
Mazabuka	<ul style="list-style-type: none"> ➤ Partly cloudy to clear sunny skies expected throughout the week with chances of showers on the 17th, 18th, 19th & 24th. ➤ Average daily Temps: 18-28°C.
Choma	<ul style="list-style-type: none"> ➤ Partly cloudy to clear sunny skies expected throughout the week with chances of showers on the 17th & 23rd. ➤ Average daily Temps: 16-25°C
Livingstone	<ul style="list-style-type: none"> ➤ Partly cloudy to clear sunny skies expected throughout the week. ➤ Average daily Temps: 22-33°C
Mongu	<ul style="list-style-type: none"> ➤ Rain showers forecast for the 17th with the rest of the week experiencing partly cloudy to clear skies. ➤ Average daily Temps: 20-32°C.
Mansa	<ul style="list-style-type: none"> ➤ Light rain showers expected on the 19th with heavy rains on the 22nd and normal rains the rest of the week. Average daily Temps: 18-26°C.
Kasama	<ul style="list-style-type: none"> ➤ Normal rains forecast for the 18th & 19th with heavy rains the rest of the week. ➤ Average daily Temps: 17-26°C.
Solwezi	<ul style="list-style-type: none"> ➤ 18th will be partly cloudy with chances of shows, while light rains are forecast for the 19th. Heavy rains are anticipated on the 20th & 21st with normal rains the rest of the week. ➤ Average daily Temps: 18-26°C.
Chipata	<ul style="list-style-type: none"> ➤ Heavy rains expected on the 17th, normal rains on 19th and cloudy skies with light showers forecast for the 18th & 24th. The rest of the week will be cloudy with chances of light showers. ➤ 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 13th February, 2015.

Domestic Import Parity Prices as at 13/02/2015					
US\$/ZAR=11.71 US\$/ZMK=6.57					
Parity Prices		US\$/ZMK	Maize	Soya	Wheat
Lusaka		6.7	460	645.81	517
Town	Ex-Lusaka freight (ZMK)	\$	\$	\$	\$
Chipata	275	41.04	501.04	686.85	558.04
Mkushi	225	33.58	493.58	679.39	550.58
Ndola	250	37.31	497.31	683.12	554.31
Kitwe	250	37.31	497.31	683.12	554.31

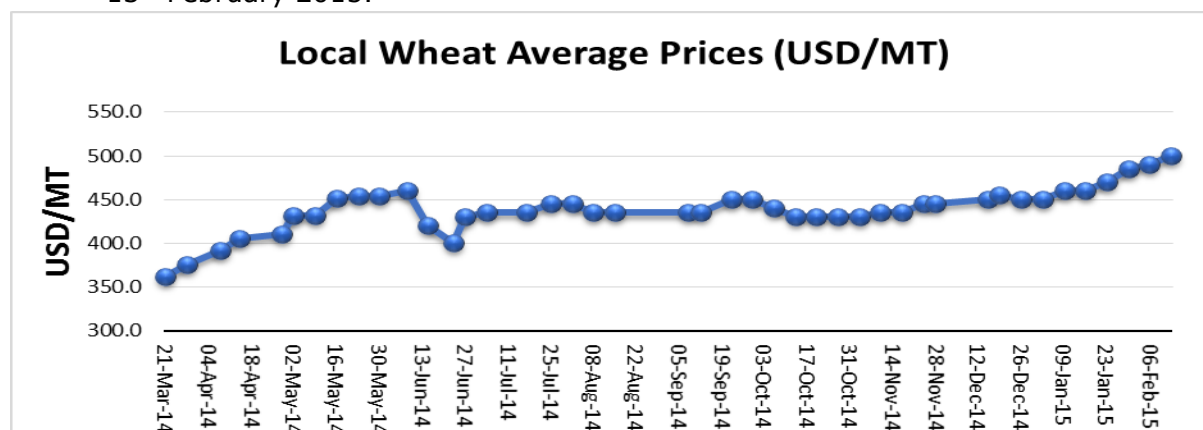
Export Parity Prices (Harare Lusaka)

Export Parity Price (EPP) Harare-Lusaka (US\$/MT)	
Soya Beans	509
Wheat	398
Maize	296

Wheat

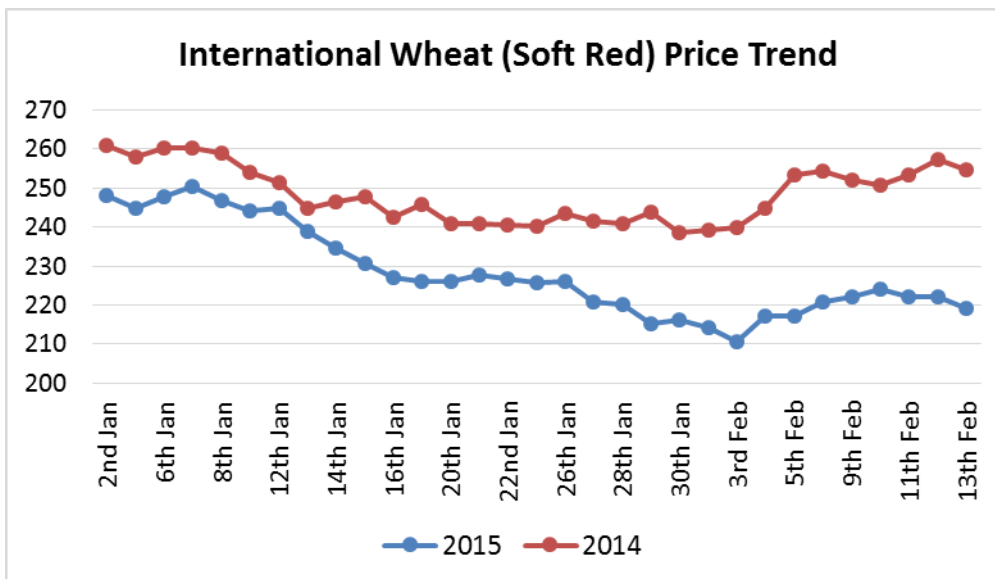
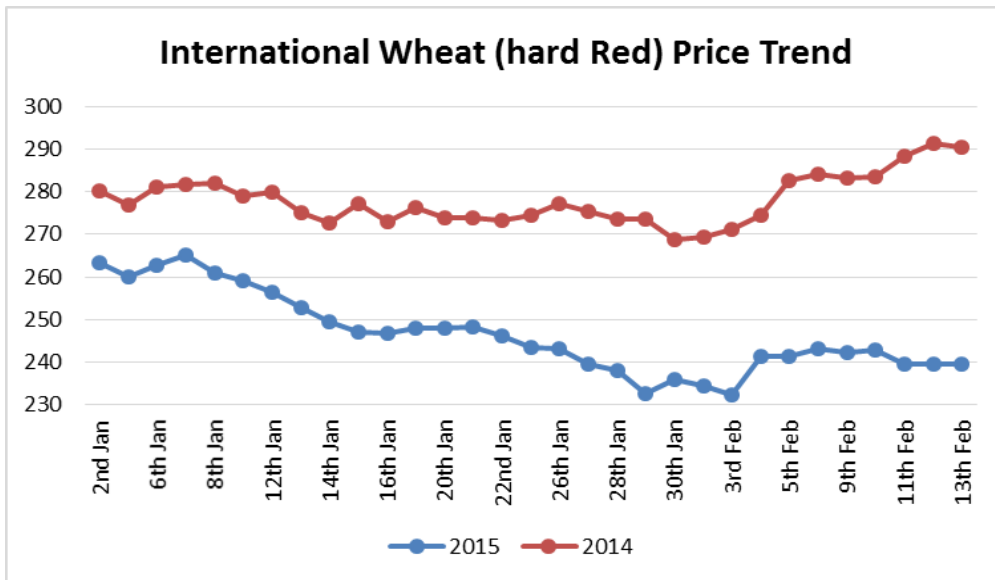
Highlights

- The 2014/15 world production of wheat has been projected at a new record of 725 million tons by the US Department of Agriculture. China, the European Union and Russia are expected to record significant increases in their production levels.
- Meanwhile, Egypt' wheat imports are projected to rise by about 330,000 tons on a year-on year comparison. The European Union is currently the most competitive supplier to the Middle East and North Africa.
- The Chicago wheat future price for delivery in March 2015 settled at US\$ 195.84/MT by end of day on 13th February 2015.
- Local wheat offer prices by traders were averaging US\$500/ton in the week ending 13th February 2015.



Price trends

The Safex international soft red and hard red wheat averaged US\$221.89/ton and US\$240.65/ton respectively in the week ending 13th February 2015. In comparison to the previous week, both wheat varieties recorded price increments of 2.71 and 0.94 percent respectively. All prices are fob gulf.



Source: Safex

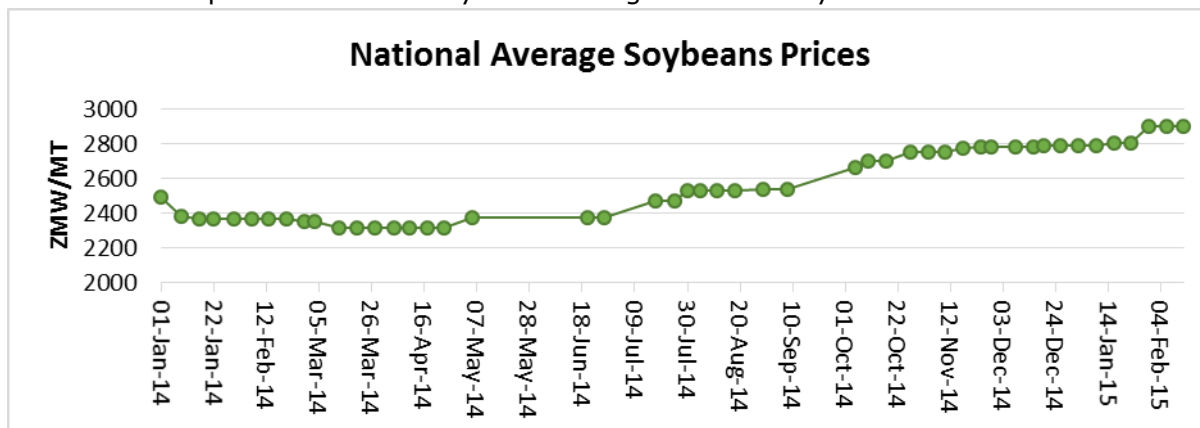
Soya Beans

Highlights

- Algeria is likely to increase its soya meal imports by 100,000 tons in the 2014/15 year to 1.5 million tons on account of stronger demand according to USDA data.
- Meanwhile Brazil has become less optimistic over the expected increase in the 2014/15 soya crop due to dryness in the central and Eastern parts of the country.

The 2014/15 crop estimated at 94.58 million tons is expected to be about 9.8 percent more than last year's crop. Early in the year, the South American country was anticipating an 11.4 percent increase in the crop output.

- The Chicago soybeans futures price for March delivery settled at US\$363.90/MT on 13th February 2015.
- Zambian local soya beans prices were still averaging ZMK2900/ton on the ZNFU market price information system ending 13th February 2015.

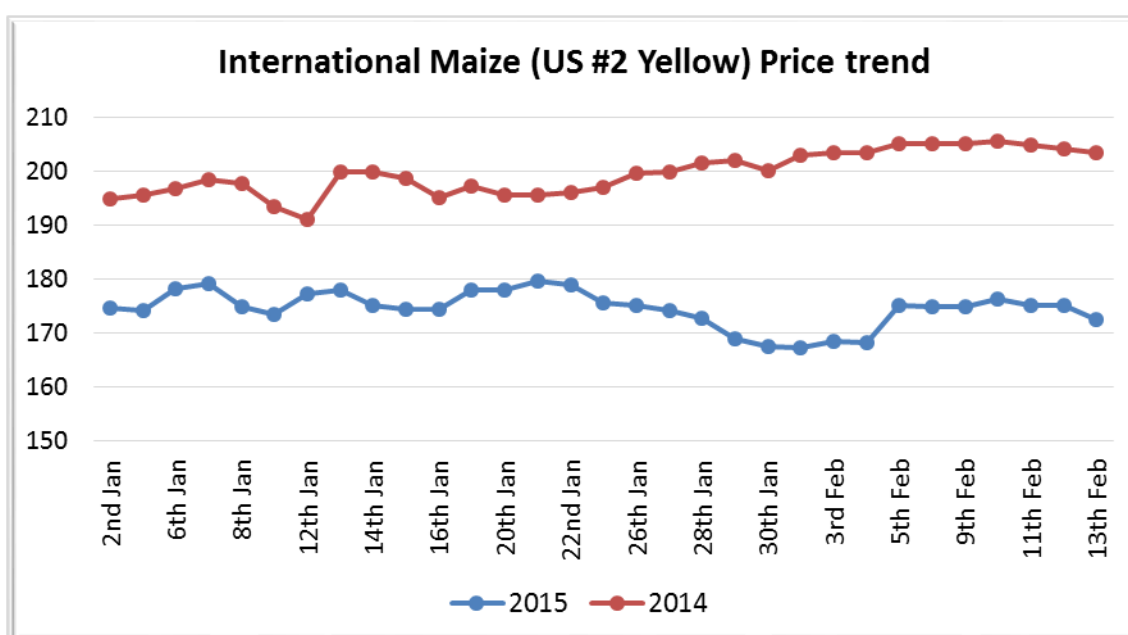


tons. Global trade is forecast to fall by about 10 percent mostly due to the reduced import appetite by the European Union and North Africa. Meanwhile, imports by Sub-Sahara Africa are anticipated to rise from about 2.215 million tons in the 2013/14 season to 2.390 million tons in the 2014/1 5year as the region's production is lowered.

- The Chicago maize future price for delivery in March 2015 was posted at US\$ 152.44/MT on 13th 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 13th February, international fob prices as recorded by Safex averaged US\$174.82/ton up by 2.35% in comparison to the previous week.



Source: Safex

Cotton

Highlights

- The Cotton Association of India has estimated the country's 2014/15 crop at 6.749 million tons. Total supply for the season has been pegged at 7.97 million tons with consumption at 5.2 million. Exports toward the end of 2014 were however moving slower than in previous years as farmers opted to supply government due to the Minimum Price Support being offered.
- Meanwhile Chinese cotton plantings are expected to fall by 20.2 percent in the 2015/16 season (which begins April) to 3.32 million hectares to give an output of 5.7 million tons according to Cotlook. The Chinese government's decision to put an end to direct purchases from the farmers could be the major factor behind this drop. To boost domestic demand of cotton, the largest consumer of cotton has restricted the cotton import quota for the 2015 year to 894,000 tons with non-quota cotton subjected to 40% duty. Chances of a cotton price recovery in 2015 are therefore bearish.

- News of reduced Chinese crop has helped support the international cotton prices. Cotton prices on Cotlook settled at 69.55cents/pound (\approx US\$1.53/kg) on 13th February 2015. CME prices for March delivery on the other hand settled at 62.70 cents/pound (\approx US\$1.38/kg) on 13th February 2015.



Source: CME

Beef

Highlights

- According to the South African feedlot Association, Live cattle and beef carcass was going for ZAR19.30/kg and ZAR33.04/kg respectively in the week ending 8th February 2015.
- Weaners and heifers, on the Namibian market, were auctioning for about R19.36/Kg and R18.21/kg respectively as of 6th February 2015. Meanwhile beef in abattoirs was trading at about R32-34.52/Kg for class A meat while class C meat was going for ZAR27.50-28.50/Kg on 9th February 2015.
- Local beef offer prices by most buyers were averaging ZMK17.97/kg in the week ending 13th February 2015.

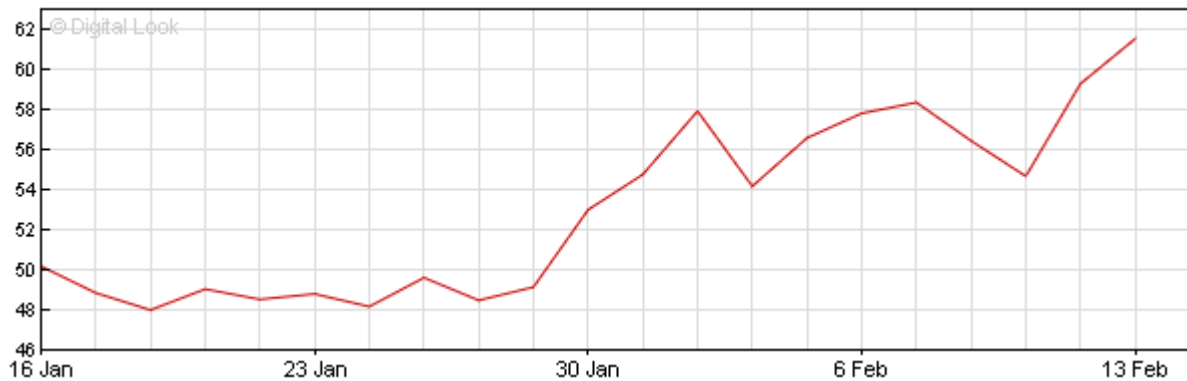
Crude oil

- The U.S crude oil drillers have responded to the drop in international prices and cut back their drilling wells by about 28 percent in January 2015 in comparison to June 2014 when the oil prices began their rapid descent. According to the Wall Street journal, the reduction in the output per rig is only about 8.5 percent.
- The International Energy Agency recorded a 235,000 drop in the global crude oil output to 94.1 million barrels/day in January 2015. This is still above the 2015 forecast average global demand of 93.4 barrels per day. Iraq and Libya are the two OPEC countries that had cut production while output of Saudi Arabia, Kuwait, Angola and Nigeria edged upwards.
- The reduction in global supply of oil has helped sustain crude oil at above US\$50/barrel the last couple of weeks. Brent crude oil futures settled at

US\$61.20/barrel while WT prices were around US\$52.50 when trading opened on Monday.

- Oman's settlement price for April 2015 contract settled at US\$59.28/barrel on the Dubai Mercantile Exchange (DME) early morning 16th February 2015.

Brent Crude Oil Futures \$/barrel



Source: BBC Business, 2015

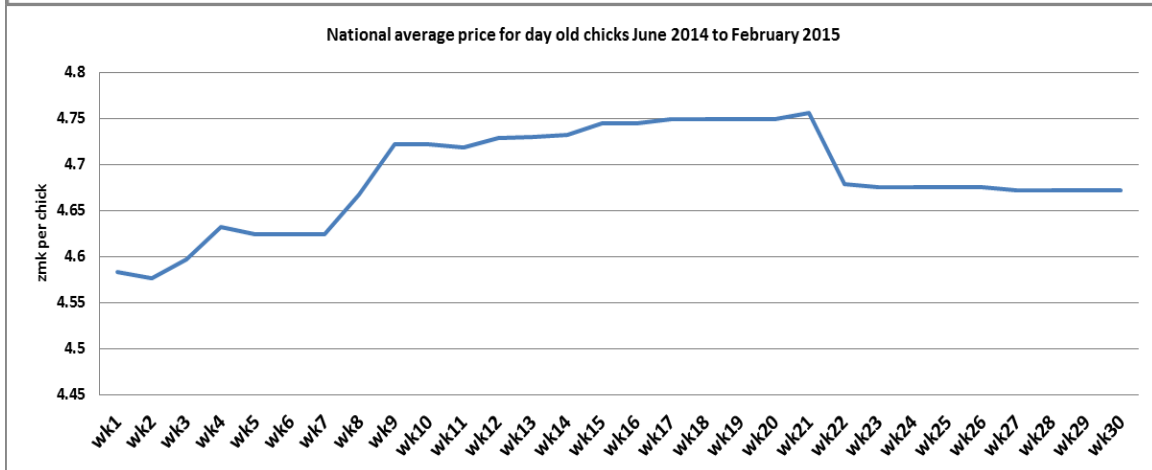
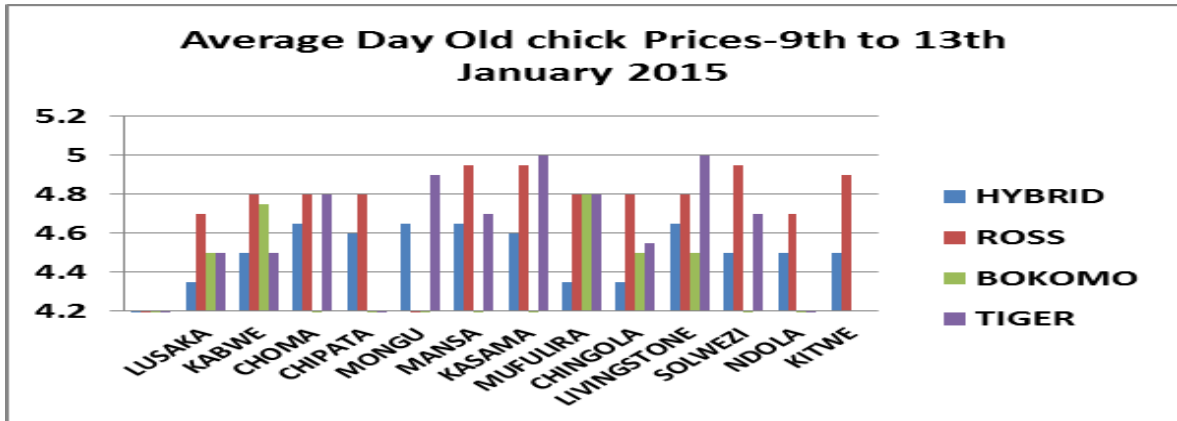
POULTRY

DOMESTIC POULTRY PRICES FOR WEEK ENDING 13TH FEBRUARY 2015

AVERAGE DAY OLD CHICK PRICES

Graph 1 shows the price of different brands of day old chicks in selected towns. The price of day old chicks has been flat the past one month with no notable changes.

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 there have been no significant changes in the price of day old chicks since week 27. The price has remained static at ZMW4.67.

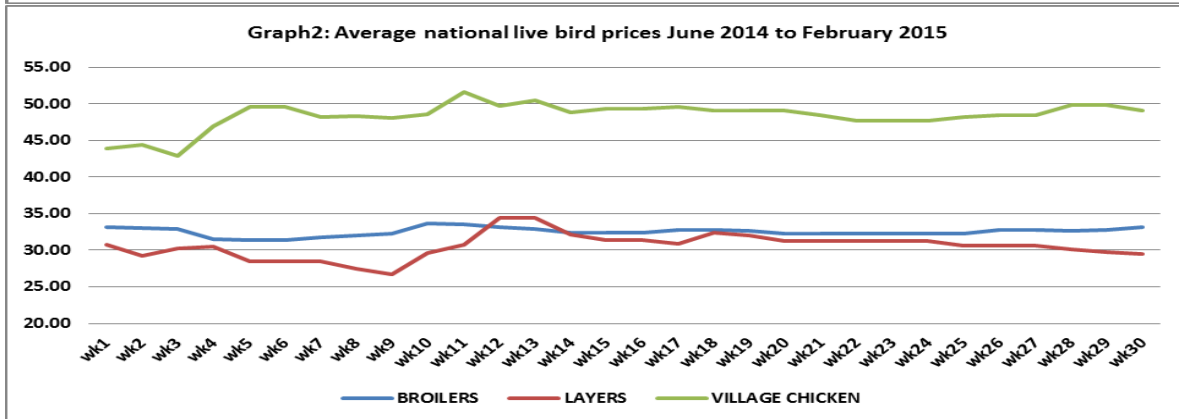
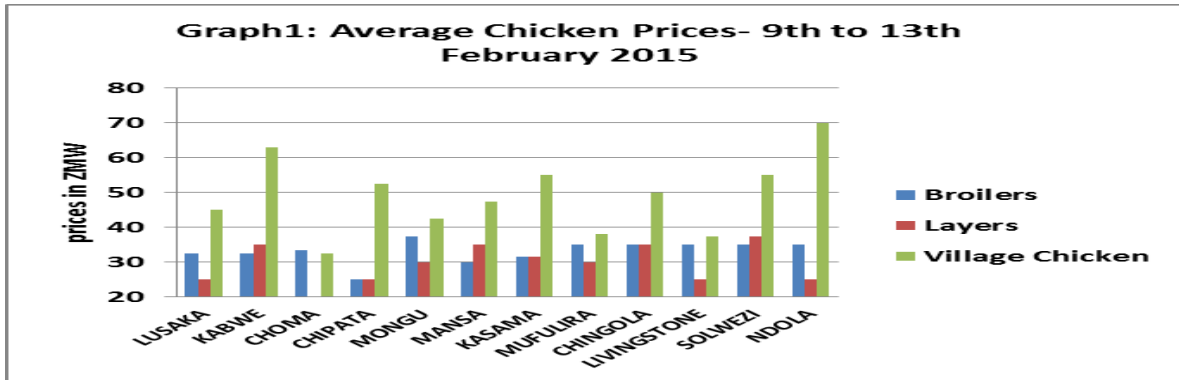


Source: Poultry Association of Zambia

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. Compared to the previous week, the average price of layers and village chickens in Lusaka declined from ZMW27 to ZMW25 and from ZMW55 to ZMW45 representing 7.4% and 18% reductions in price respectively. On the other hand the price of broilers rose from ZMW28.5 to ZMW32.5 representing a 14% increase in price in response to the forces of supply and demand.

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 and layers declined in week 30, the average price for broilers slightly increased. The national average price for village chickens, layers and broilers was ZMW29.54, ZMW49.04 and ZMW33.13 respectively.

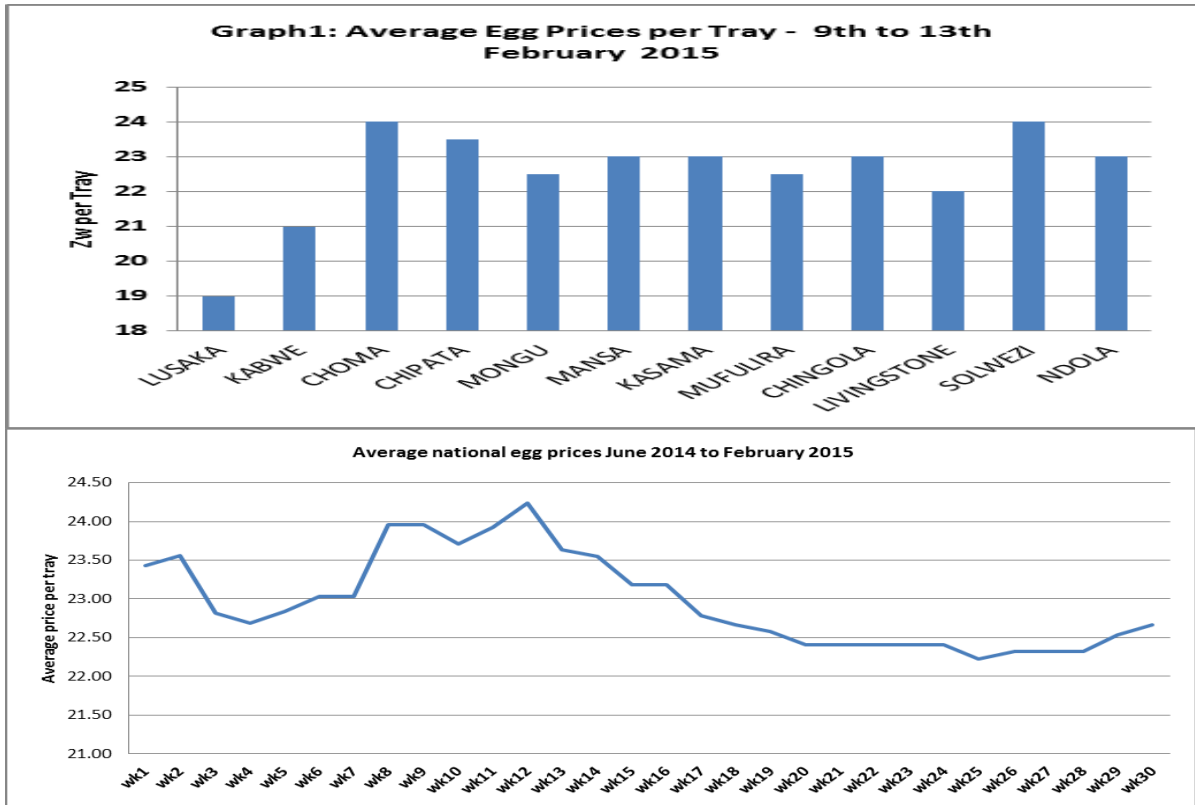


Source: Poultry Association of Zambia

AVERAGE EGG PRICES

Graph 1 below shows average retail prices of table eggs in selected provincial centres around the country. Lusaka had registered a 7.9% price increase in the price of eggs from ZMW19 to ZMW20.5 mainly due to an increase in supply. No significant changes were registered in the other 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 from ZMW22.32 in week 28 to ZMW22.67 in week ZMW22.67.

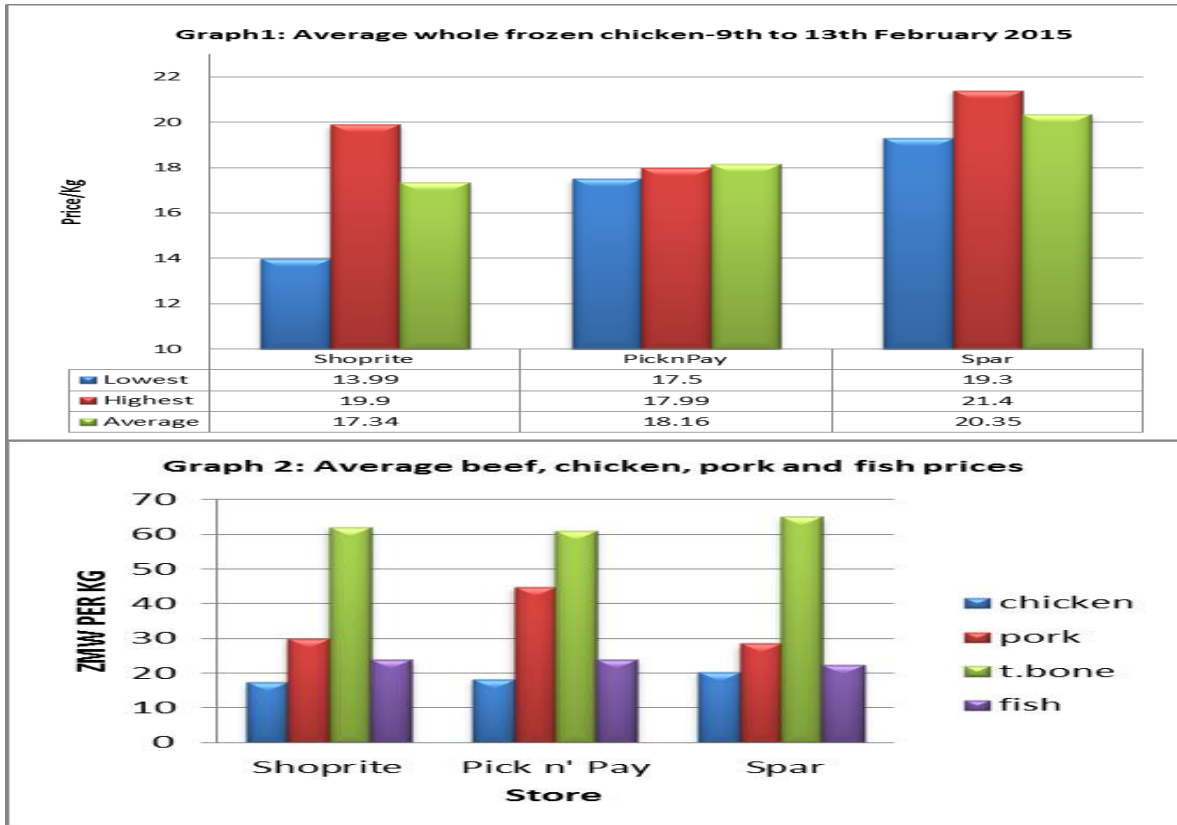


Source: Poultry Association of Zambia

AVERAGE WHOLE DRESSED CHICKEN PRICES

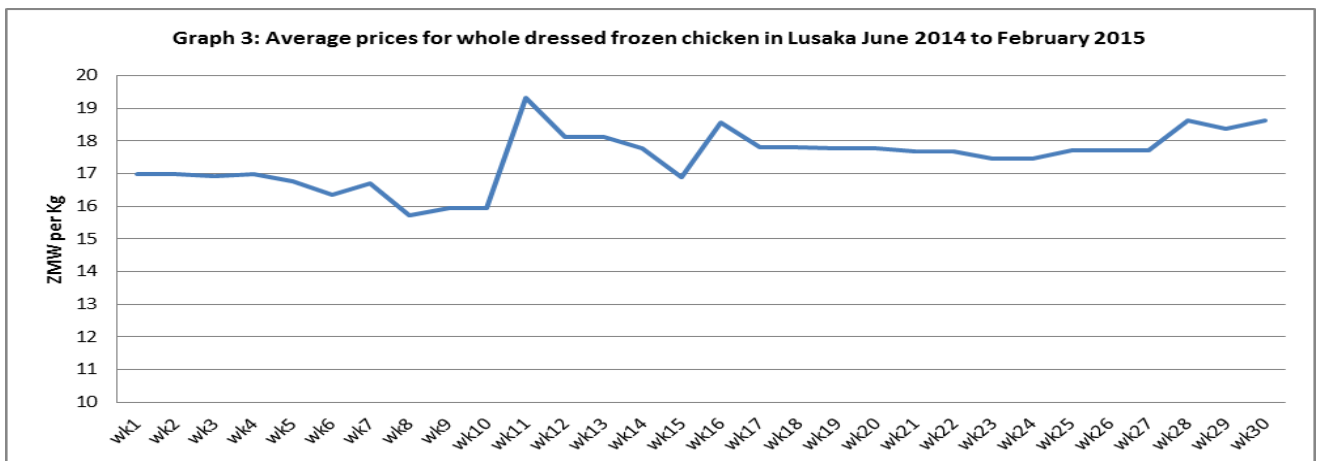
Graph1 below shows average prices of whole frozen chickens in the three chain stores around in Lusaka. Shoprite had the lowest average price at ZMW17.34 with the lowest going for ZMW13.99 and the highest going for ZMW19.90. Spar was posting highest average price for frozen whole chickens among the three stores at ZMW20.35 with the lowest and highest price of frozen whole chicken pegged at ZMW19.30 and ZMW21.40 respectively. The average price for frozen whole chicken in Pick n’ Pay was ZMW20.35 with the lowest and highest going for ZMW17.50 and ZMW17.99 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 followed by fish, pork and t.bone in the week ending 13th September 2015.



Source: Poultry Association of Zambia

Graph 3 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 rose from ZMW18.39 in week 29 to ZMW18.62 in week 30.



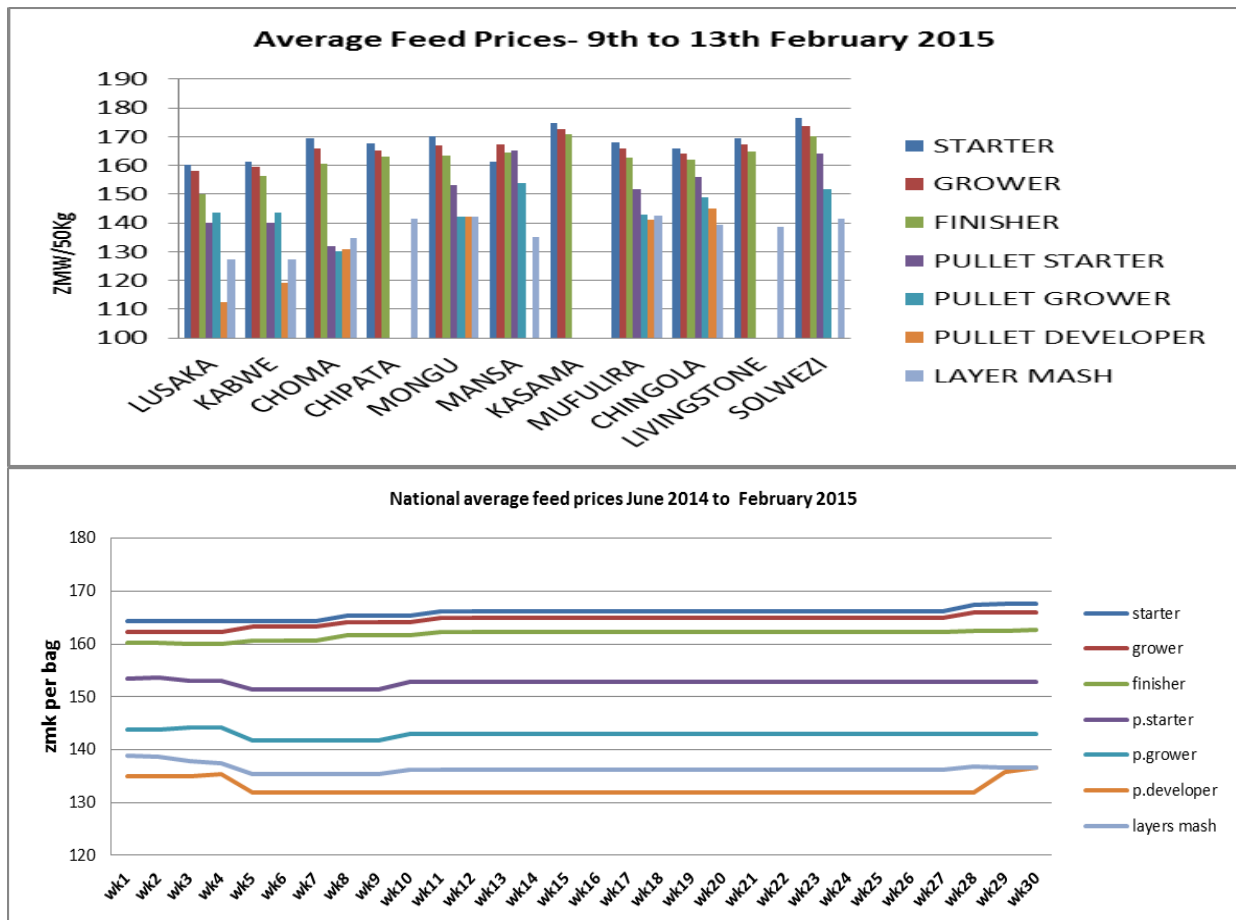
Source: Poultry Association of Zambia

AVERAGE FEED PRICES

Graph 1 show average weekly feed prices in selected towns. The graph shows that the average poultry stock feed prices are lowest in Lusaka and Kabwe and Highest in Kasama and Solwezi. The graph further shows that pullet feeds are generally lower than broiler feeds. No price statistics for pullet feeds have been 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 eight months from June 2014 to February 2015. Compared to the previous week, the average national

price all feeds except pullet starter and pullet grower had slightly risen last week. This could be attributed to an increase in input costs.



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