



THE WEEKLY AGRO WATCH



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16th March, 2015 Vol.10

Industry Updates

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

Dry Spell continues

The dry spell that most parts of the country has been experiencing since February is expected to continue this week with the weather forecast indicating low rainfall activity in many areas. The prolonged dry spell may negatively affect crop yields. The table under the weather forecast section summarizes the expected weather patterns this week in selected districts.

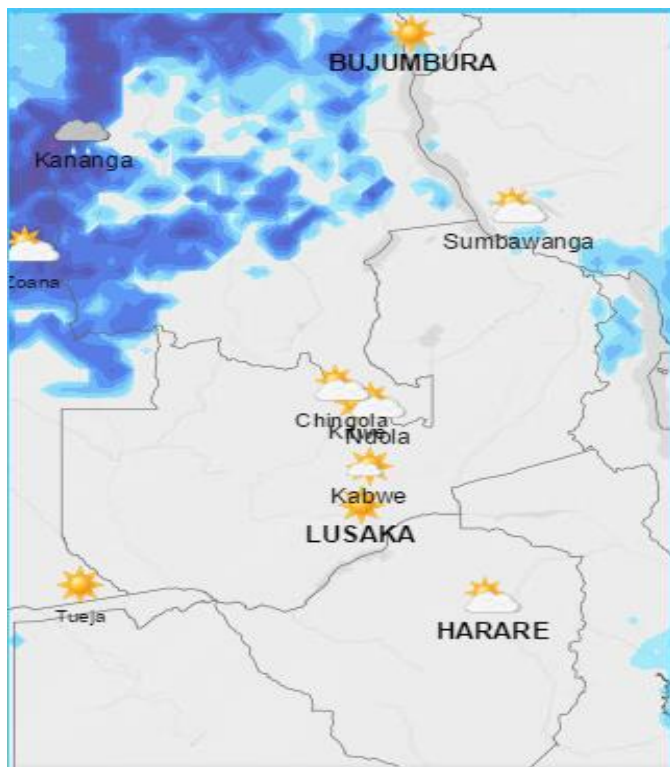
Exchange Rates

Zambia's currency has continued to dip to historical levels with the dollar selling for ZMK7.50 on average on 17th March 2015.

CURRENCY	17/03/2015						05/03/2015					
	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)	7.38	7.53	0.60	0.61	10.96	11.19	6.92	7.06	0.59	0.60	10.56	10.77
Standard Chartered Bank	7.39	7.54	0.60	0.61	10.97	11.18	6.93	7.07	0.58	0.60	10.57	10.78
ZANACO	7.35	7.50	0.59	0.60	10.84	1.12	6.92	7.05	0.58	0.60	10.49	10.76
Bank of Zambia	7.43	7.45	0.599	0.601	10.96	10.99	6.96	6.98	0.59	0.59	10.63	10.66

Weather Forecast

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



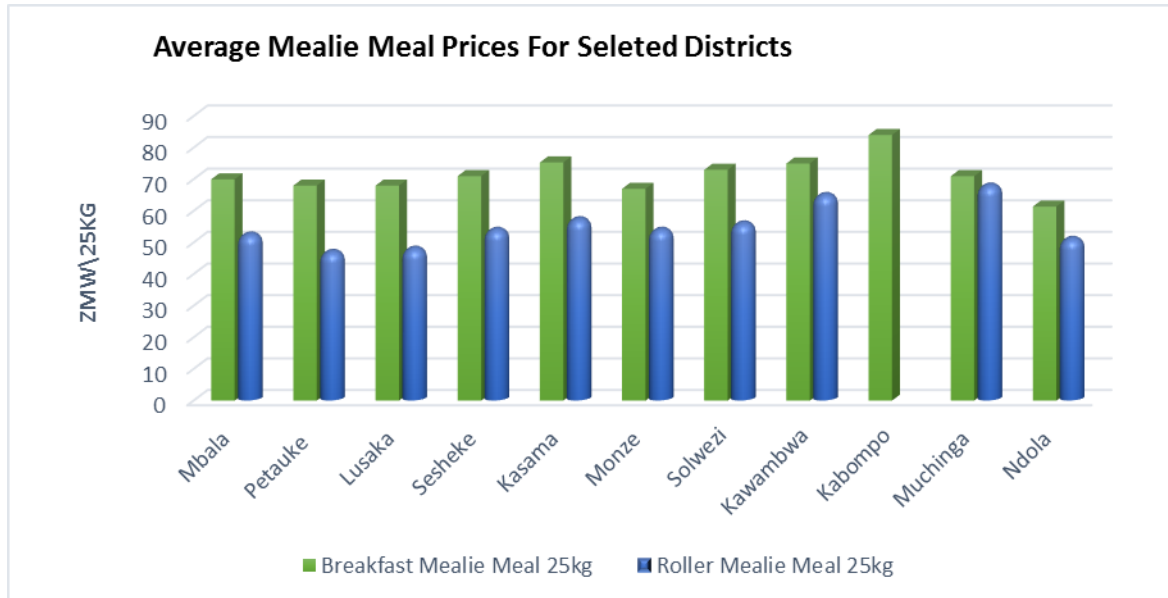
TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Most of the week will be sunny to partly cloudy with chances of showers save for the 23rd when normal rains are expected. ➤ Average daily Temps: 18-28^oC
Mkushi	<ul style="list-style-type: none"> ➤ Normal rains expected on 17th, 22nd & 23rd with the rest of the week having clear sunny to partly cloudy skies. ➤ Average daily Temps: 18-27^oC
Kabwe	<ul style="list-style-type: none"> ➤ The 19th -21st is expected to have clear sunny to fairly cloudy skies while normal rains are forecast for the rest of the week. ➤ Average daily Temps: 17-28^oC
Lusaka	<ul style="list-style-type: none"> ➤ 3mm of rain forecast for the 18th and light showers on the 22nd & 23rd. the rest of the week is expected to have clear sunny to fairly cloudy skies. ➤ Average daily Temps: 18-27^oC

Mazabuka	<ul style="list-style-type: none"> ➤ Most of the week will be sunny to fairly cloudy save for the 18th when 2.1mm of rains are expected. ➤ Average daily Temps: 17-29^oC.
Choma	<ul style="list-style-type: none"> ➤ 2.5mm of rain forecast for the 19th and light showers on the 23rd. the rest of the week is expected to have clear sunny to fairly cloudy skies. ➤ Average daily Temps: 17-28^oC
Livingstone	<ul style="list-style-type: none"> ➤ The whole week is expected to have clear sunny to fairly cloudy skies. ➤ Average daily Temps: 19-32^oC
Mongu	<ul style="list-style-type: none"> ➤ 2.8mm of rain forecast for the 18th and light showers on the 19th. The rest of the week is expected to have clear sunny to fairly cloudy skies. ➤ Average daily Temps: 21-32^oC.
Mansa	<ul style="list-style-type: none"> ➤ 1.5mm of rain forecast for the 18th. The rest of the week is expected to have clear sunny to fairly cloudy skies. ➤ Average daily Temps: 18-28^oC.
Kasama	<ul style="list-style-type: none"> ➤ Normal rains forecast for the 17th & 18th and heavy rains on the 19th. The rest of the week is expected to have sunny to partly cloudy skies. ➤ Average daily Temps: 17-27^oC.
Solwezi	<ul style="list-style-type: none"> ➤ Fairly cloudy to clear sunny skies forecast for the whole week with chances of light showers. ➤ Average daily Temps: 15-28^oC.
Chipata	<ul style="list-style-type: none"> ➤ The 19th & 20th are expected to have fairly cloudy to clear sunny skies. Light showers are forecast for the 23rd with normal rains the rest of the week. ➤ Average daily Temps: 17-27^oC.

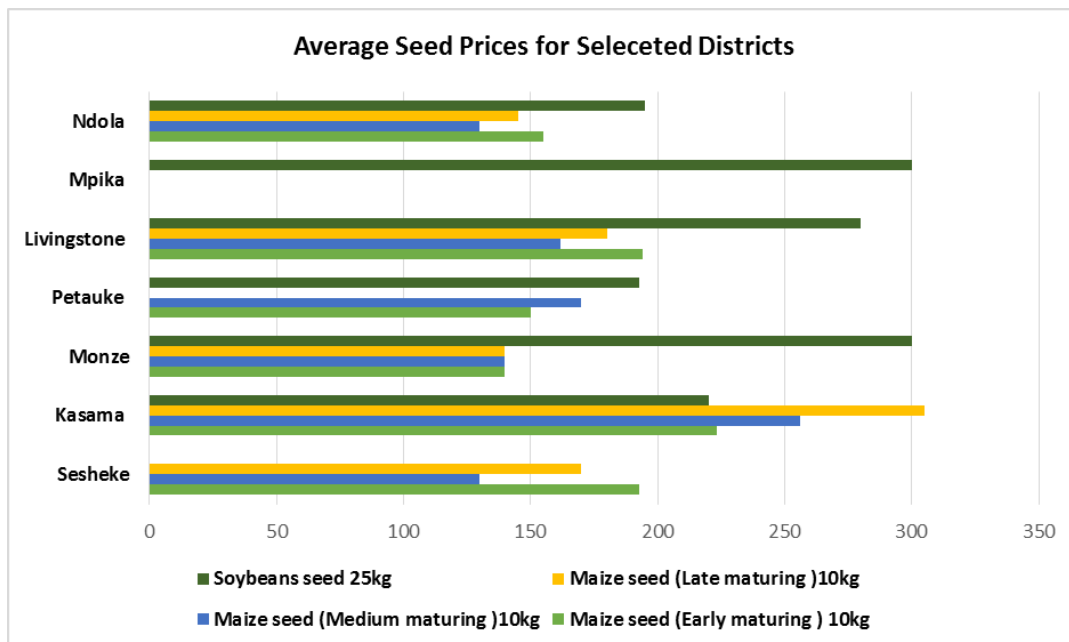
Source: Norway meteorological Institute

COMMODITY HIGHLIGHTS

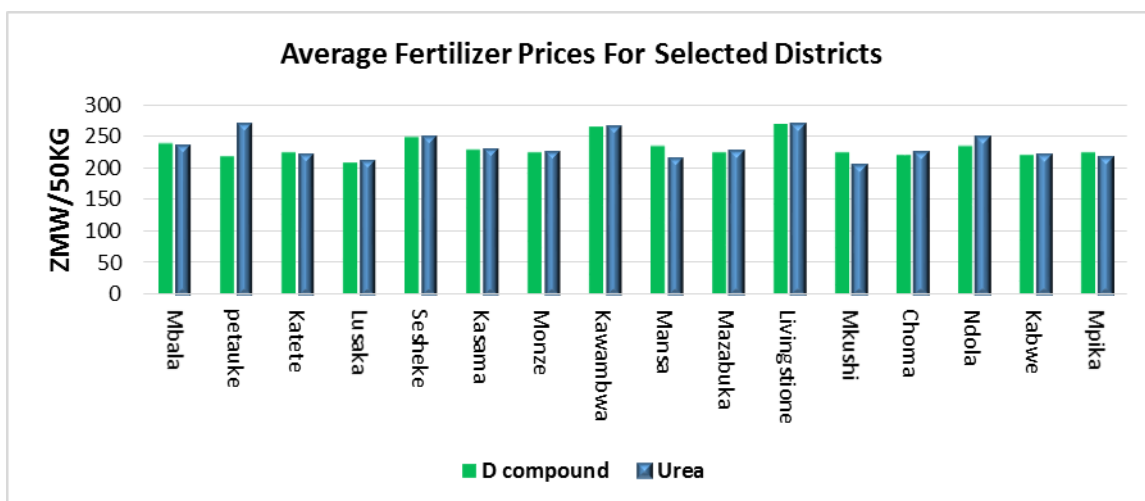
The tables below shows average seed prices in selected districts for the month of March 2015.



Source: ZNFU Regional Offices



Source: ZNFU Regional Offices



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Parity Prices

Import Parity Prices

*The following import parity prices were compiled by ZNFU as at 16th March, 2015.

Domestic Import Parity Prices as at 16/03/2015					
US\$/ZAR=12.42 US\$/ZMK=7.40					
Parity Prices		US\$/ZMK	Maize	Soya	Wheat
Lusaka		7.4	429.08	605.35	505.99
Town	Ex-Lusaka freight (ZMK)	\$	\$	\$	\$
Chipata	275	37.16	466.24	642.51	543.15
Mkushi	225	30.41	459.49	635.76	536.40
Ndola	250	33.78	462.86	639.13	539.77
Kitwe	250	33.78	462.86	639.13	539.77

Export Parity Prices (Harare Lusaka)

Export Parity Price (EPP)Harare-Lusaka as at	
Soya Beans	496.72
Wheat	393.37
Maize	295.87

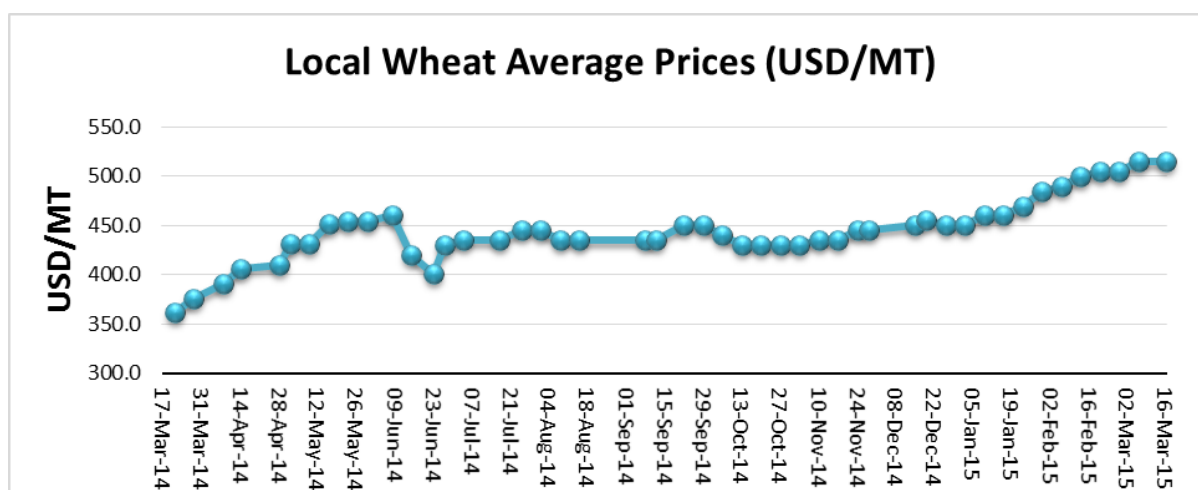
Wheat

Highlights

- The European Union's barley production has been forecast higher for the 2014/15 season in comparison to the previous season's production. The production estimates for the EU, the world's largest producer, currently stand at 59.92

million tons. The region is the most likely beneficiary of the increased Chinese import demand of barley.

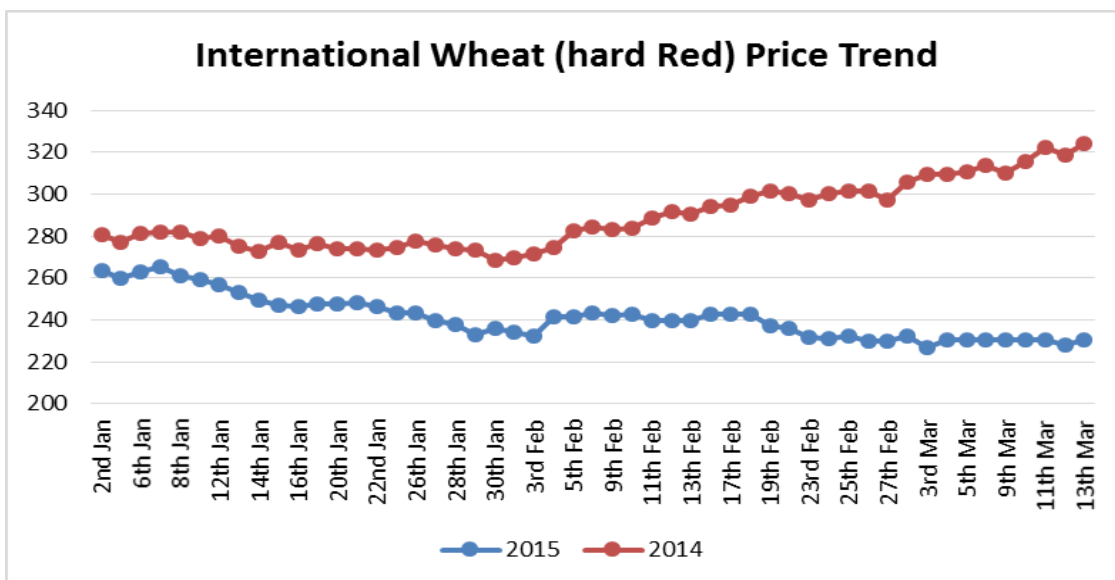
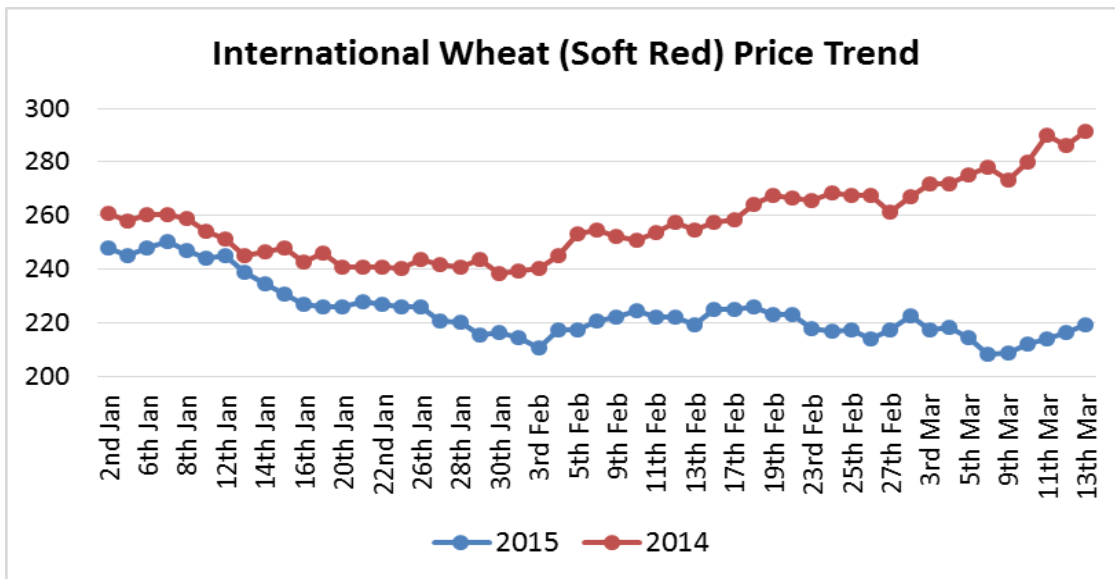
- The USDA has further revised downwards its global wheat production estimates for the 2014/15 year despite the output being still at record high levels. Global trade is nearly unchanged with higher EU exports offsetting a drop in Argentina’s exports.
- The Chicago wheat future price for delivery in May 2015 settled at US\$ 190.11/MT by end of day on 9th March 2015.
- The depreciation of the local unit has seen wheat offer prices edge higher as shown in the graph below. There has however been little activity on the local wheat market with processors keeping their eye on the import window.



Source: ZNFU Price Information System

Price trends

The Safex international soft red and hard red wheat averaged US\$214.10/ton and US\$229.88/ton respectively in the week ending 13th March 2015. In comparison to the previous week ending 5th March 2015, both soft red and hard red recorded marginal price declines of 0.89 and 0.08 percent respectively.



Source: Safex

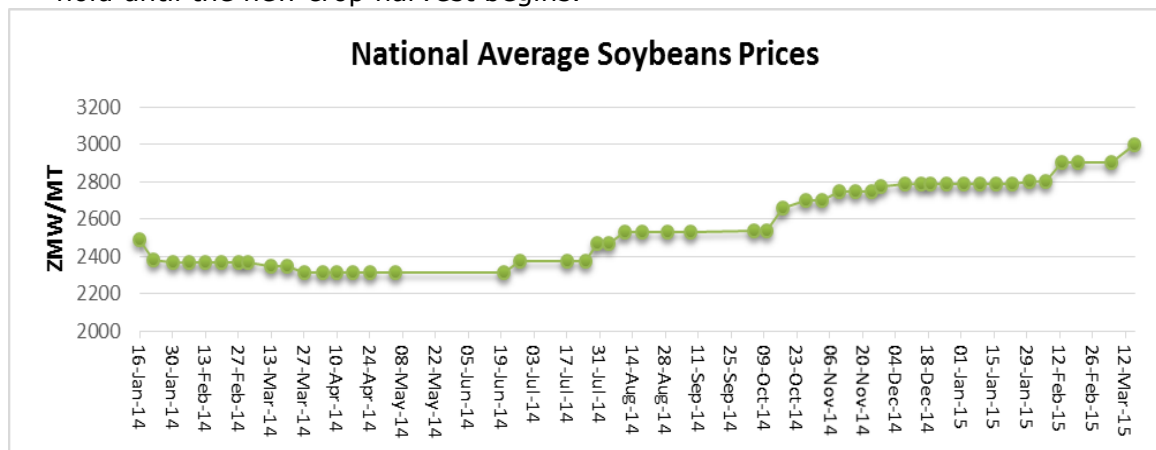
Soya Beans

Highlights

- Malaysia has raised its export duty for crude palm oil to 4.5 percent for April .This news ends the duty free policy that the world's second largest producer held since

September 2014. This may see palm oil demand reducing in preference of other oilseeds such as soya beans

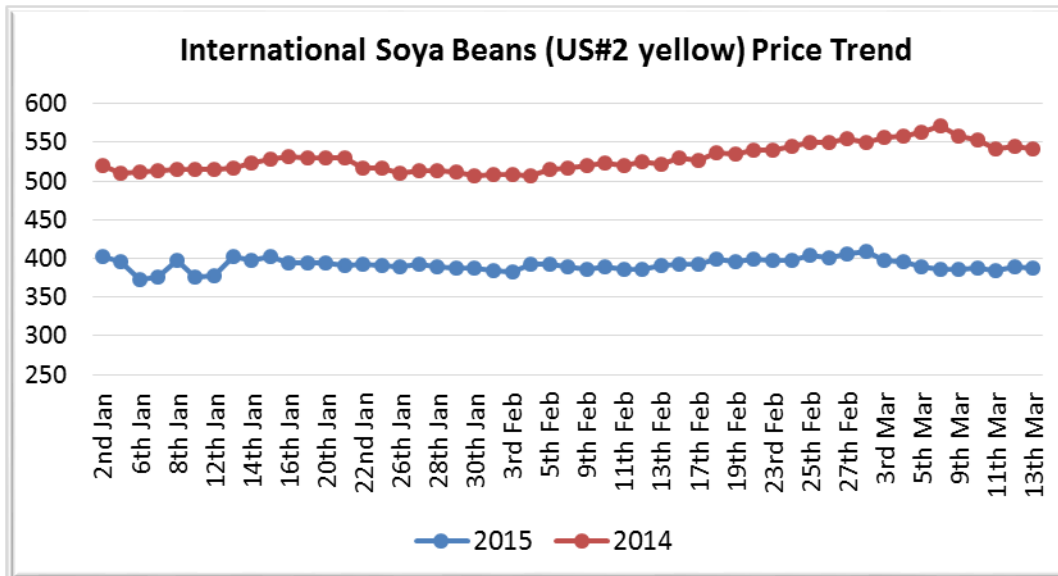
- Meanwhile the USDA has forecast an increase in the 2014/15 soya beans trade with increased imports by Russia and Turkey offsetting India's reduced crushing.
- International prices have continued to fall as more positive information filters in on the Brazilian crop yields.
- Soya beans for July 2015 delivery on Chicago Mercantile Exchange eased slightly to trade at US\$357.29/ton on 17th March 2015.
- Locally, Soybeans prices have maintained their upward trend due to low availability of the oilseed on the market reaching an average of K3100 /tonne in the week ending 13th March 2015. It is expected that the relatively high price will hold until the new crop harvest begins.



Source: ZNFU Price Information System

Price trends

International prices of US No. 2 yellow soya beans on Safex during the week ending 13th March 2015 averaged US\$386.90. All prices are fob gulf.



Source: Safex

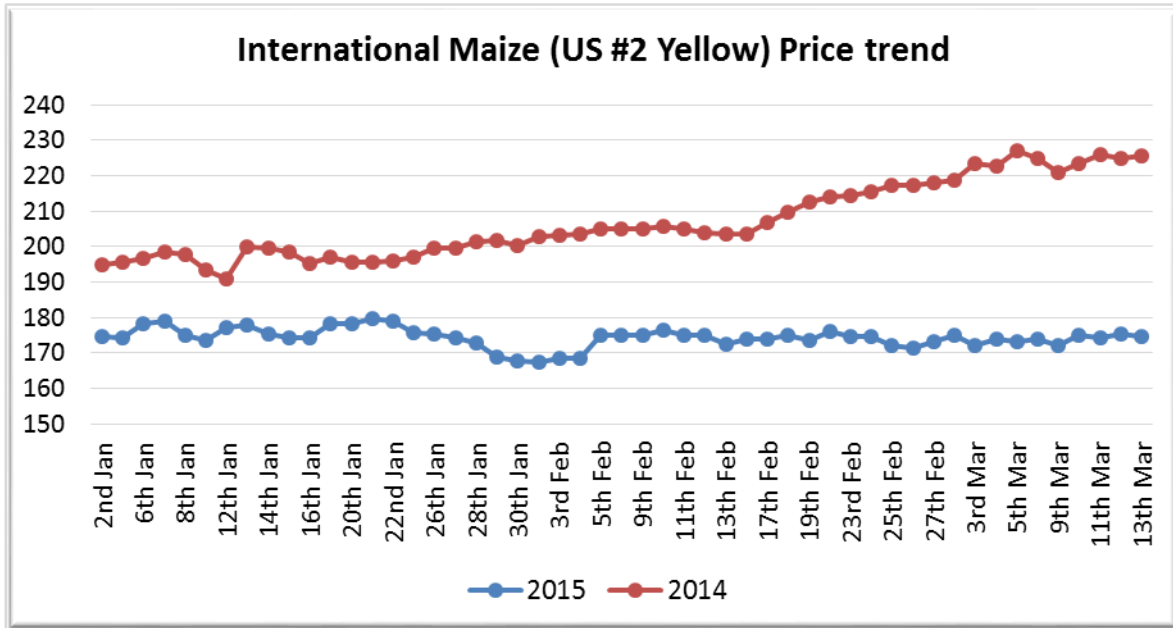
Maize

Highlights

- The March 2015 report by USDA on global maize production has lowered global maize production estimates mainly due to the reduced South African crop which more than offset Brazil's increased crop prospects. The global production for the 2015/16 crop now stands at 989.67 million tons.
- The Chicago maize futures price for delivery in July 2015 was pegged at US\$ 148.97/MT early morning on 17th March 2015.
- Locally, The Food Reserve Agency has announced that it is ready for the 2015/16 marketing season and has enough stock of the marketing requisites. Local maize offer prices has continued to average ZMK1, 450/ton on the ZNFU market price information system in the week ending 13th March 2015.

Price trends

During the week ending 13th March 2015, international fob prices as recorded by Safex edged slightly higher to US\$174.25/ton.



Source: Safex

Cotton

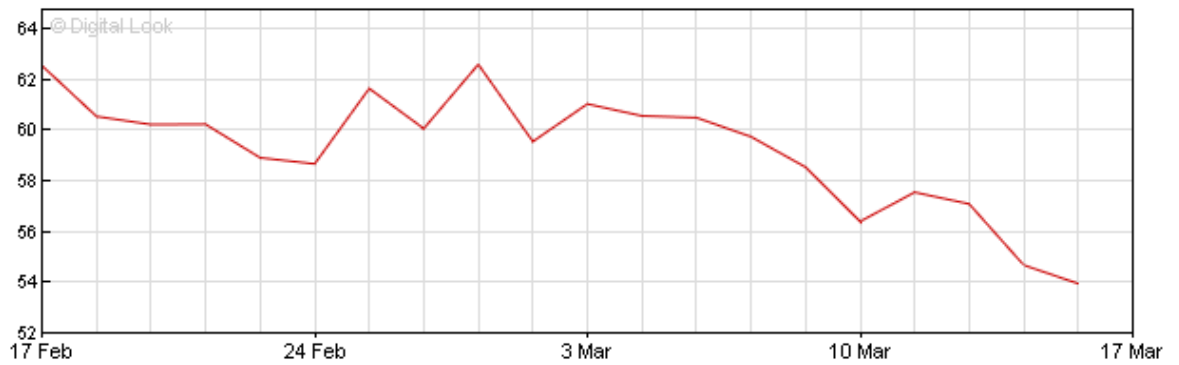
Highlights

- Chinese cotton imports have dropped, on a year-on-year comparison, by 55 percent during the first seven months of the year which begins 1st August. According to Cotlook, raw cotton imports totalled 1.058 million tons from August 2014 to February 2015.
- On the local scene, early estimates indicate that about 392,313 hectares of cotton seed have been planted for the 2014/15 season with expected production pegged at 116,944 tons.
- Cotton prices for May delivery were pegged at US\$0.61/pound (\approx US\$1.34/kg) on 16th March 2015 while Cotlook A prices were pegged at US\$0.675/pound (\approx US\$1.48/kg) on the same day

Crude oil

- After exhibiting some upwards steam towards the end of February, crude oil prices have generally bowed down to the gravitational pull over the last two weeks.
- Brent prices settled at US\$52.98/barrel by 15:00hrs on 17th March 2015 while WTI was pegged at US\$43.38/barrel.
- Oman's settlement price for May delivery was around US\$52.49/barrel early morning on 17th March 2015.

Brent Crude Oil Futures \$/barrel

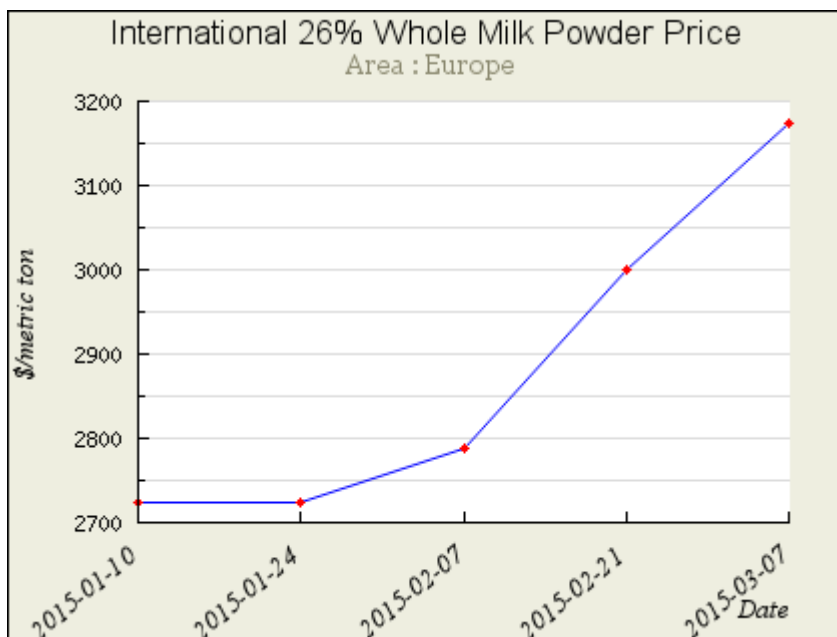


Source: BBC Business, 2015

Dairy

POWDERED MILK GLOBAL PRICE TRENDS.

The price of powdered milk on the global frontier has gone up in recent months .It was less than \$2750 per metric ton in January this year but increased to \$ 3170 by March 7th 2015.This is expected to result in reduced powdered milk import in Zambia in the short run. Refer to table 2 above.



LOCAL MILK PRICES

AVERAGE MILK PRODUCT PRICES WEEK ENDING 13th March 2015					
Ser.	PRODUCT	QUANTITY	06/02/15	13/03/15	% difference
1	FRESH MILK Sachet	500ml	4.8	5.1	5%
2	FRESH MILK	1Ltr	10.0	10.0	0%
3	FRESH MILK	2Ltr	16.2	15.8	-2%
4	UHT MILK	250ml	3.2	3.3	2%
5	UHT MILK	500ml	5.5	6.1	9%
7	YOGURT cup	175ml	4.3	5.1	15%
8	YOGURT cup	250ml	3.7	4.1	9%
9	YOGURT cup	500ml	10.9	11.1	1%
4	YOGURT sachet	250ml	3.8	3.1	-19%
7	YOGURT container	2Ltr	16.0	16.2	1%

Dairy products price adjustment in the week ending 13th March 2015 were as highlighted in the table above. Notable dairy product price adjustments were as follows; Average price of 500mls fresh milk increased by 5% from K4.8 to K5.1, 500mls UHT from K5.5 to K 6.1 representing a 9% increase, 175ml yogurt increased by 15% from K4.3 to K5.1. The average price of 250mls yogurt sachets reduced by 19% from K3.8 to K3.1.

