



THE WEEKLY AGRO WATCH



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30th March, 2015 Vol.12

Industry Updates

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

Zambia Records 3rd Consecutive Trade Deficit

Zambia posted a negative trade balance in the month of February 2015. The country has been recording trade deficits since December 2015 and the February deficit valued at ZMK107.3 million was the largest deficit recorded over the last 3 months. Before December 2014, the last time the country recorded a trade deficit was in May 2009, during the global economic recession. Between January and February 2015, the nominal value of traditional exports declined from about 2.6 billion to 2.58 billion. Meanwhile the percentage share of non-traditional exports increased from 29.6 percent in January 2015 to 35.7 percent in February.

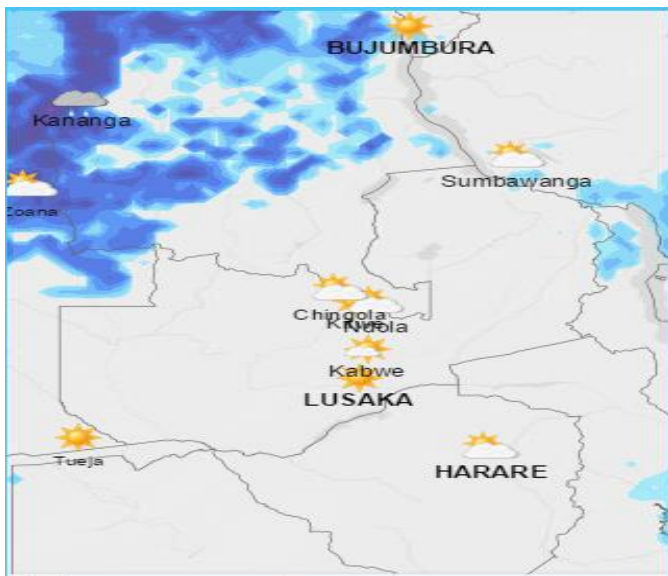
Exchange Rates

In a bid to stabilize the Kwacha, the Bank of Zambia has revised the Statutory Reserve Ratio (SRR) on both Kwacha and foreign currency deposits upwards by 4 percent to 18 percent effective 8th April 2015. The overnight lending facility has also been adjusted to 6 percentage points from the 9.5 percentage points above the monetary policy rate which is currently pegged at 12.5 percent.

CURRENCY	30/03/2015						23/03/2015					
	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)	7.49	7.65	0.63	0.64	11.12	11.34	7.52	7.66			11.18	11.44
Standard Chartered Bank	7.52	7.67	0.63	0.64	11.17	11.39	7.65	7.81	0.64	0.65	11.43	11.66
ZANACO	7.49	7.63	0.62	0.63	11.06	11.35	7.65	7.81	0.63	0.65	11.38	11.67
Bank of Zambia	7.58	7.60	0.631	0.633	11.29	11.32	7.69	7.7	0.631	0.633	11.41	11.44

Weather Forecast

The table summarizes the weather forecast for some selected towns for the period 1st – 7th April 2015. Increased rainfall activity is expected in most parts of the country.



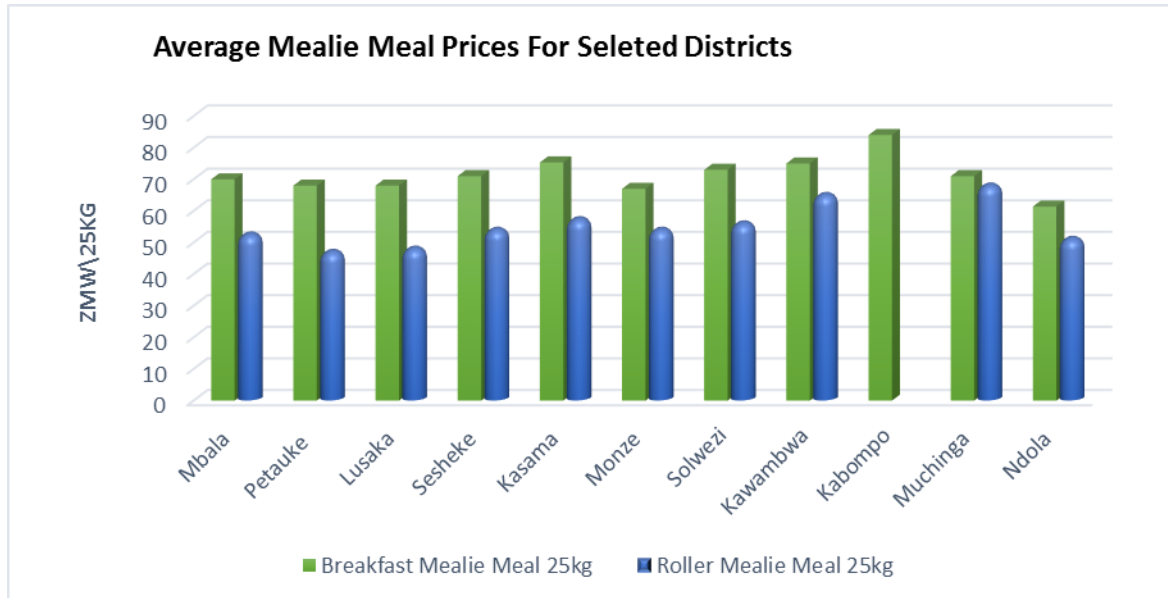
TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ The 1st will be cloudy with normal rains on 2nd, 3rd & 5th. Light rains forecast on the 4th and heavy rains the rest of the week. ➤ Average daily Temps: 17-24^oC
Mkushi	<ul style="list-style-type: none"> ➤ Light showers forecast for the 2nd and 3rd with normal rains the rest of the week. ➤ Average daily Temps:18-24^oC
Kabwe	<ul style="list-style-type: none"> ➤ Showers forecast for the 2nd & 3rd with heavy rains on the 5th and normal rains the rest of the week. ➤ Average daily Temps:19-24^oC
Lusaka	<ul style="list-style-type: none"> ➤ Showers forecast for the 1st with partly cloudy skies from 2nd - 4th. Heavy rains forecast for the 5th & 6th and normal rains on 7th. ➤ Average daily Temps:18-24^oC
Mazabuka	<ul style="list-style-type: none"> ➤ Normal rains forecast for the 1st, 6th & 7th while the 2nd -4th will

	<ul style="list-style-type: none"> ➤ be partly cloudy to cloudy and heavy rains expected on 5th. ➤ Average daily Temps: 19-26^oC.
Choma	<ul style="list-style-type: none"> ➤ Normal rains expected on 1st & 7th with the 2nd & 3rd being partly cloudy. The 4th will be cloudy while heavy rains are anticipated on the 5th & 6th. ➤ Average daily Temps:16-22^oC
Livingstone	<ul style="list-style-type: none"> ➤ The 3rd will be partly cloudy and the 7th will be cloudy. Normal rains forecast for the 4th and heavy rains the rest of the week. ➤ Average daily Temps:18-26^oC
Mongu	<ul style="list-style-type: none"> ➤ Heavy rains forecast for the whole week save for the 6th & 7th when it will be partly cloudy. ➤ Average daily Temps: 18-27^oC.
Mansa	<ul style="list-style-type: none"> ➤ Normal rains forecast for the whole week save for the 2nd when it's expected to be partly cloudy and 5th when light showers are forecast. ➤ Average daily Temps: 18-24^oC.
Kasama	<ul style="list-style-type: none"> ➤ Showers forecast for the 2nd and heavy rains on the 3rd & 6th with normal rains the rest of the week. ➤ Average daily Temps: 16-25^oC.
Solwezi	<ul style="list-style-type: none"> ➤ Heavy rains forecast for the 1st, 4th, 6th & 7th with normal rains the rest of the week. ➤ Average daily Temps: 17-24^oC.
Chipata	<ul style="list-style-type: none"> ➤ Normal rains forecast for the 1st & 6th and heavy rains on the 7th with light showers expected the rest of the week. ➤ Average daily Temps: 18-27^oC.

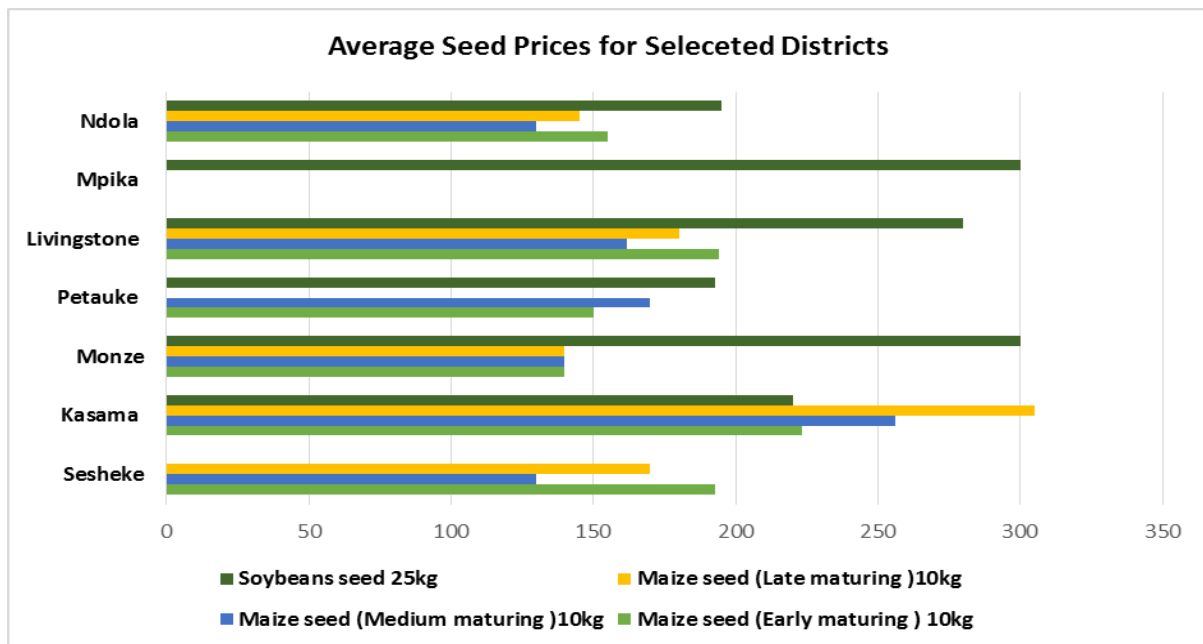
Source: Norway meteorological Institute

COMMODITY HIGHLIGHTS

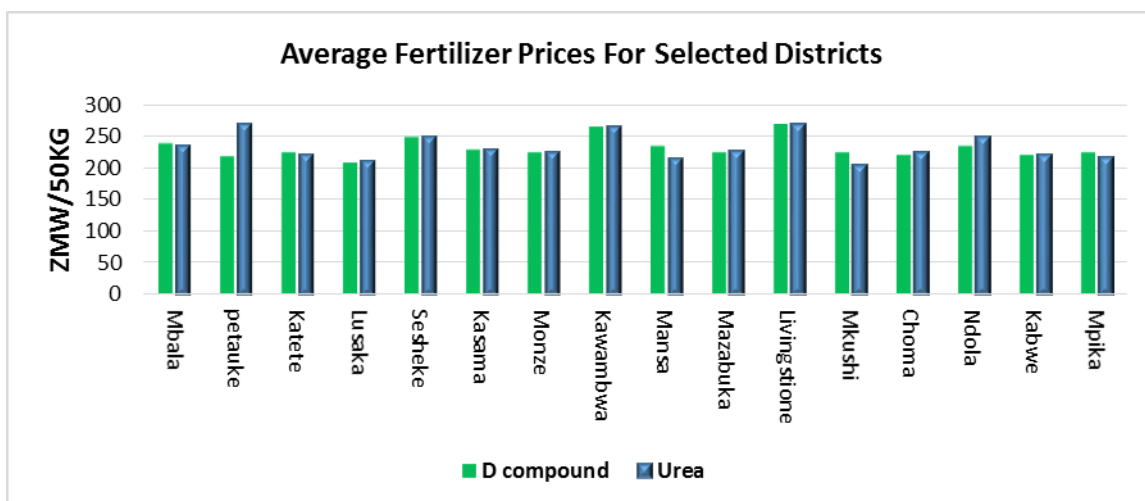
The tables below shows average seed prices in selected districts for the month of March 2015.



Source: ZNFU Regional Offices



Source: ZNFU Regional Offices



Source: ZNFU Regional Offices

Parity Prices

Import Parity Prices

The following import parity prices were compiled by ZNFU as at 30th March, 2015.

Domestic Import Parity Prices as at 30/03/2015					
US\$/ZAR=12.02 US\$/ZMK=7.64					
Parity Prices		U\$/ZMK	Maize	Soya	Wheat
Lusaka		7.64	440.66	597.6	476.93
Town	Ex-Lusaka freight (ZMK)	\$	\$	\$	\$
Chipata	275	35.99	476.65	633.59	512.92
Mkushi	225	29.45	470.11	627.05	506.38
Ndola	250	32.72	473.38	630.32	509.65
Kitwe	250	32.72	473.38	630.32	509.65

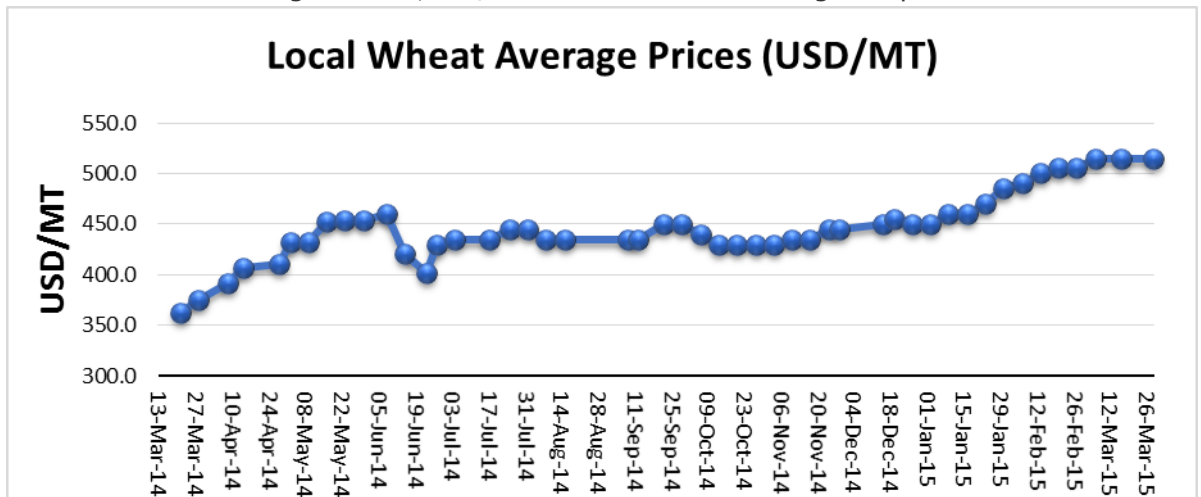
Export Parity Prices (Harare Lusaka)

Export Parity Price (EPP) Harare-Lusaka as at 30/03/15	
Soya Beans	496.72
Wheat	393.37
Maize	295.87

Wheat

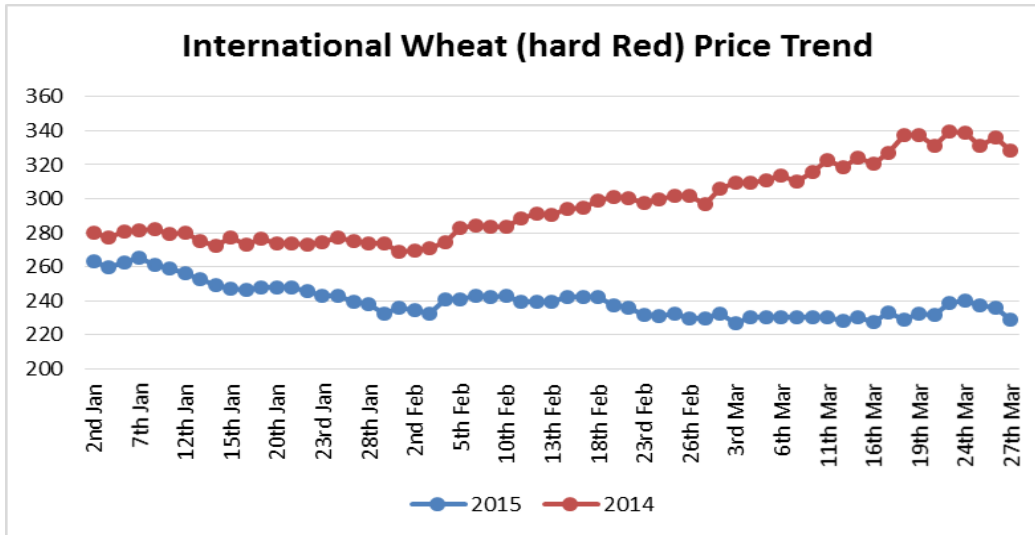
Highlights

- France's 2014/15 wheat crop production is expected to drop by about 17.74 percent from the previous season's crop to 1.497 million tons. Initial indications were that the country may harvest better quality wheat than last year.
- After two seasons of no imports, a total of 7,147 tons of wheat was captured by SAGIS as destined for Zambia from South Africa. The imports occurred between 28th February and 20th March 2015.
- The Chicago soft red wheat future price for delivery in May 2015 settled at US\$ 192.76/MT 30th March 2015.
- With borders now open for wheat imports, local wheat prices dropped slightly in the past week reaching an average of USD495/ton during the week ending 26th December. An average of US\$515/ton was recorded during the previous week.



Price trends

The Safex international soft red and hard red wheat averaged US\$224.37/ton and US\$236.26/ton respectively in the week ending 27th March 2015. In comparison to the previous week ending 20th March 2015, both soft red and hard red recorded price increments of 2.12 and 2.38 percent respectively.

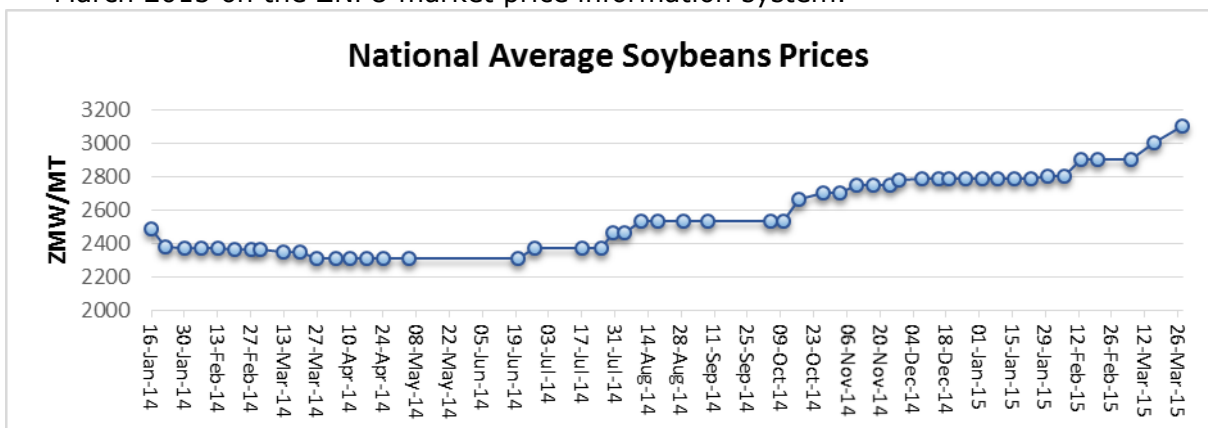


Source: Safex

Soya Beans

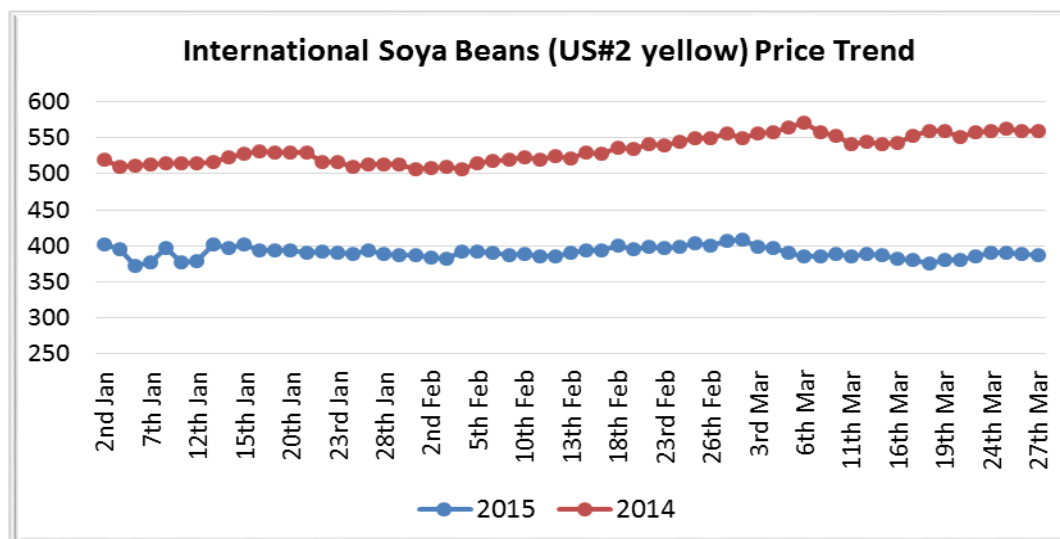
Highlights

- The latest production estimate of the South African soya crop is slightly up to 942,850 tons. The country's department of Agriculture has pegged the area planted at 687,300 hectares.
- Zimbabwe, has blocked soya cake imports in preference for the actual grain from Zambia. Zimbabwe is one of Zambia's major export destination for soya cake. Zambia exported close to 85,000 tons of soya cake and meal between January 2014 and February 2015.
- Soya beans for May 2015 delivery on Chicago Mercantile Exchange were hovering around US\$359.72/ton on 30th March 2015.
- Local soya beans offer prices were around ZMK3100/ton in the week ending 27th March 2015 on the ZNFU market price information system.



Price trends

International prices of US No. 2 yellow soya beans on Safex during the week ending 27th March 2015 averaged US\$388.60. All prices are fob gulf.



Source: Safex

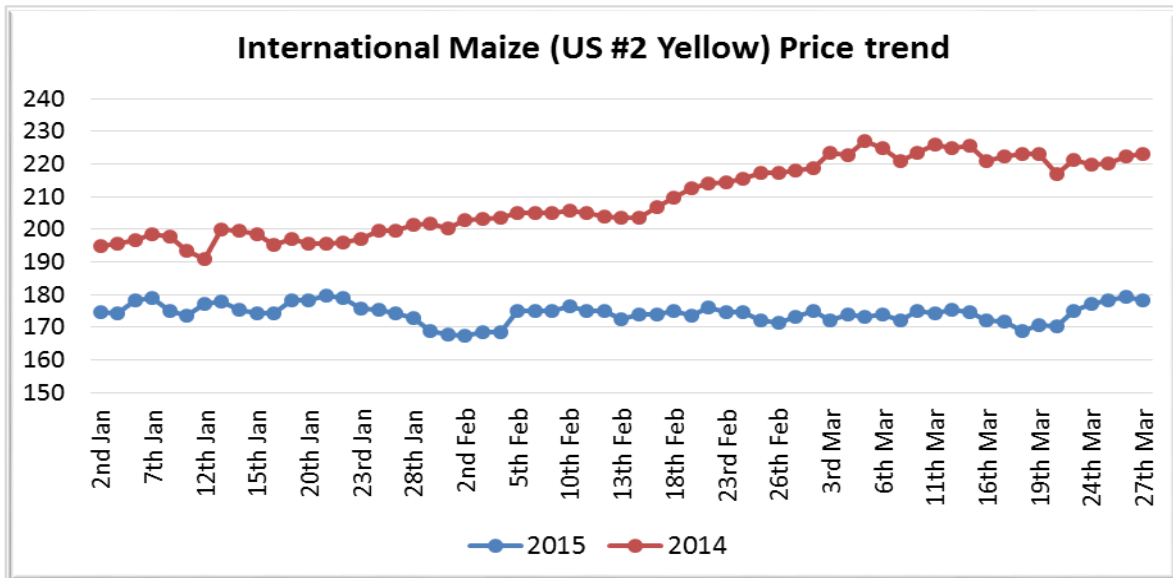
Maize

Highlights

- South Africa's commercial maize crop estimate now stand at 9.67 million tons with about 4.64 million tons of it as white maize. Despite the March estimate being raised slightly by DAFF, the 2015 crop is still expected to be about 32 percent lower than the 2014 harvest.
- Meanwhile Zimbabwe is eyeing about 600,000tons of maize from Zambia as a way to evade the looming hunger in the economy. According to the Commercial farmers' union of Zimbabwe. The Zimbabwean government sounded a warning recently when it declared most crops planted in the 2014/15 farming season to be a write-off.
- The Chicago maize futures price for delivery in July 2015 was pegged at US\$ 155.11MT on 30th March 2015.
- The effects of government's decision to offload maize on the local market at a subsidized price have started being felt with trader offer prices dropping from ZMK1, 450/ton to ZMK1, 300/ton on average over the last two weeks, according to the ZNFU market price information system. Ideally, local offer prices should have been edging upwards as the marketing season comes to an end.

Price trends

During the week ending 27th March 2015, international fob prices as recorded by Safex averaged US\$177.60/ton.



Source: Safex

Cotton

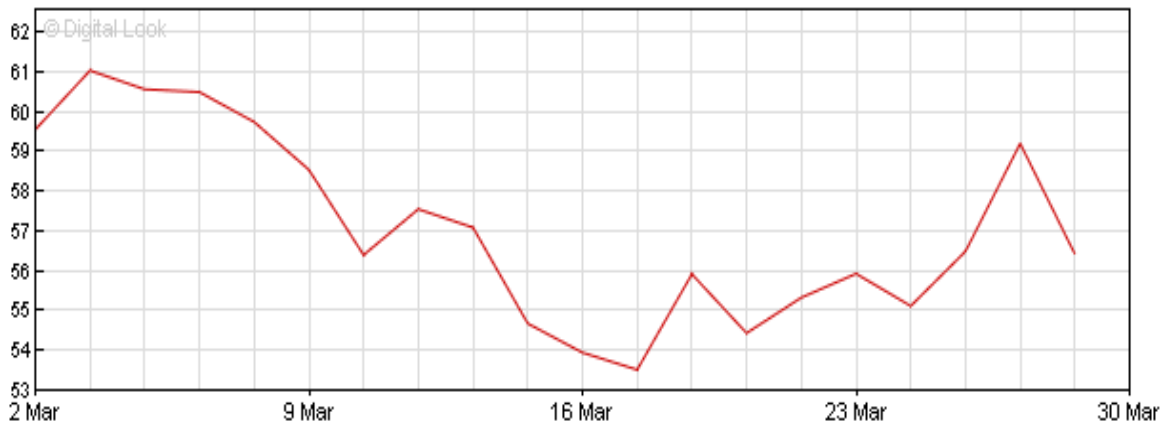
Highlights

- Cotton prices for May delivery were pegged at US\$0.63/pound (\approx US\$1.39/kg) on 30th March 2015 while Cotlook A prices were pegged at US\$0.7035/pound (\approx US\$1.55/kg) on the same day

Crude oil

- According to the Energy Information Agency, U.S. crude oil production increased during 2014 by 1.2 million barrels per day (bbl/d) to 8.7 million bbl/d, the largest volume increase since recordkeeping began in 1900. The 2015 growth rate is projected at a slower pace of 8.7 percent.
- Reports of progress on the discussion on Iran's nuclear programming which might bring an end to the sanctions on the Middle East nation coupled with the rising U.S oil inventories brought crude oil prices down from their last week's upward rally.
- Brent prices settled at US\$55.75/barrel by 15:52hrs on 30th March 2015 while WTI was pegged at US\$48.20/barrel.
- Oman's settlement price for May delivery was around US\$53.55/barrel early morning on 23rd March 2015.

Brent Crude Oil Futures \$/barrel



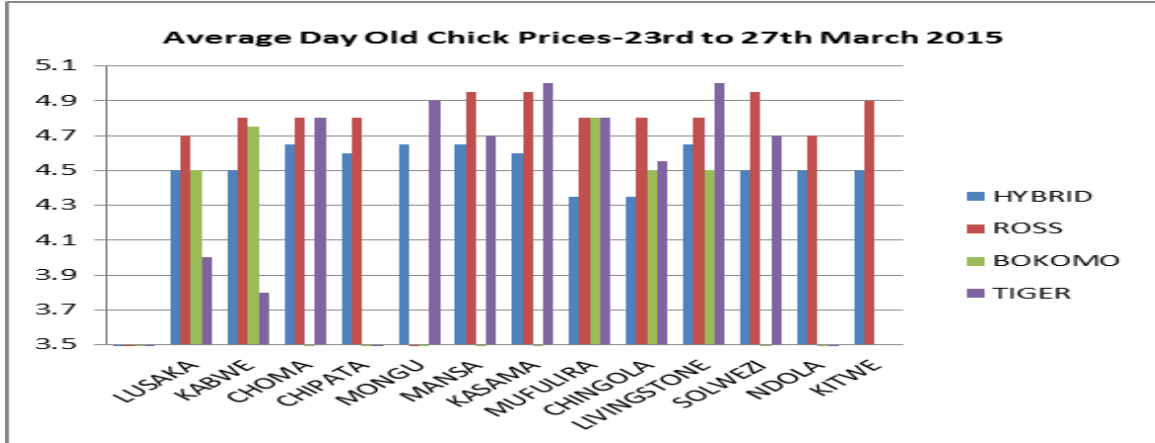
Source: BBC Business, 2015

Poultry

DOMESTIC POULTRY PRICES FOR THE WEEK ENDING 27TH MARCH 2015

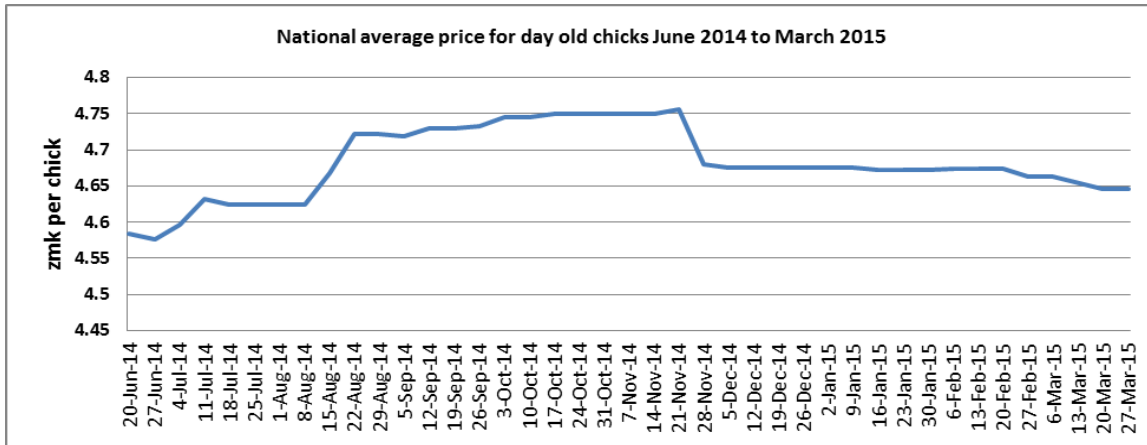
AVERAGE DAY OLD CHICK PRICES

Graph 1 shows the price of different brands of day old chicks in selected towns. There were no changes in the price of day old chicks last week.



Source: Poultry Association of Zambia

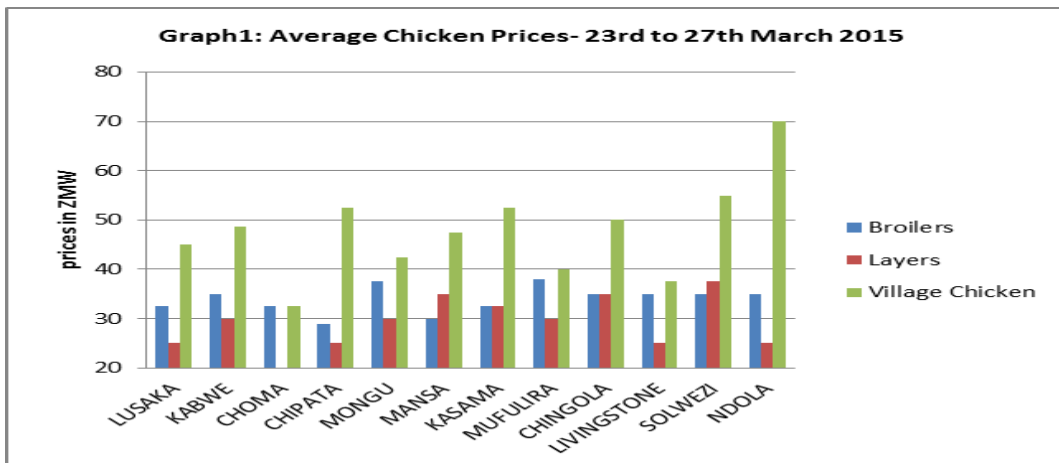
Graph 2 shows the national average price trends for day old chicks for the past nine months from June 2014 to March 2015. The graph shows that the price of day old chicks had been stable since March 20th 2015.



Source: Poultry Association of Zambia

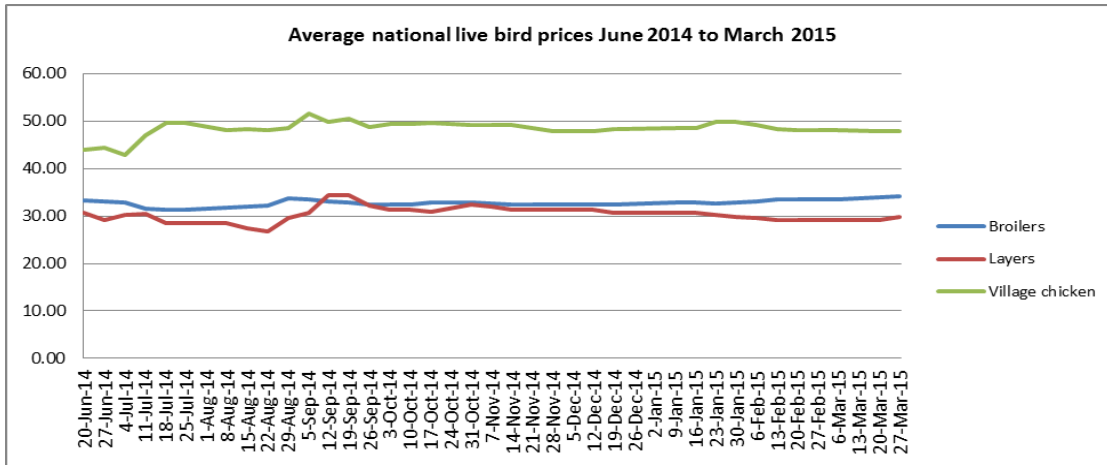
AVERAGE LIVE BIRDS PRICES

Graph1 below shows the average live bird prices in Lusaka, Choma, Kabwe, Chipata, Mongu Mansa, Mufulira, Chingola, Solwezi, Ndola, Kitwe and Livingstone. The price of broilers and layers in Mufulira rose by 5% and 26% from ZMW38 to ZMW40 and from ZMW30 to ZMW38 respectively. No other changes had been registered in the price of live birds in the rest of the towns displayed.



Source: Poultry Association of Zambia

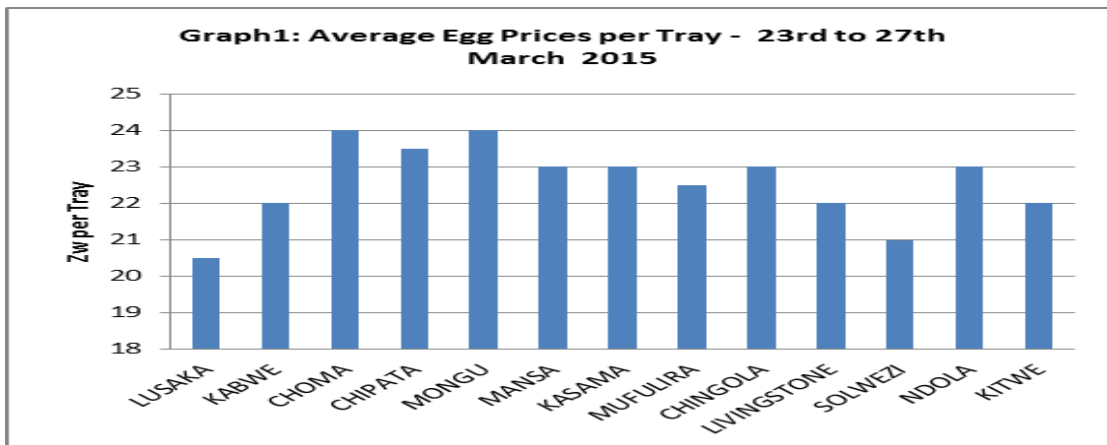
Graph 2 on the other hand shows the national average price trends for broilers, ex-layers and village chickens. The graph shows that the average national price of broilers and ex-layers had slightly risen while the average national price of village chickens remained stable. As of 27th March 2015, the average national price of broilers layers and village chickens is ZMW34.08 ZMW29.79 and ZMW47.81 respectively.



Source: Poultry Association of Zambia

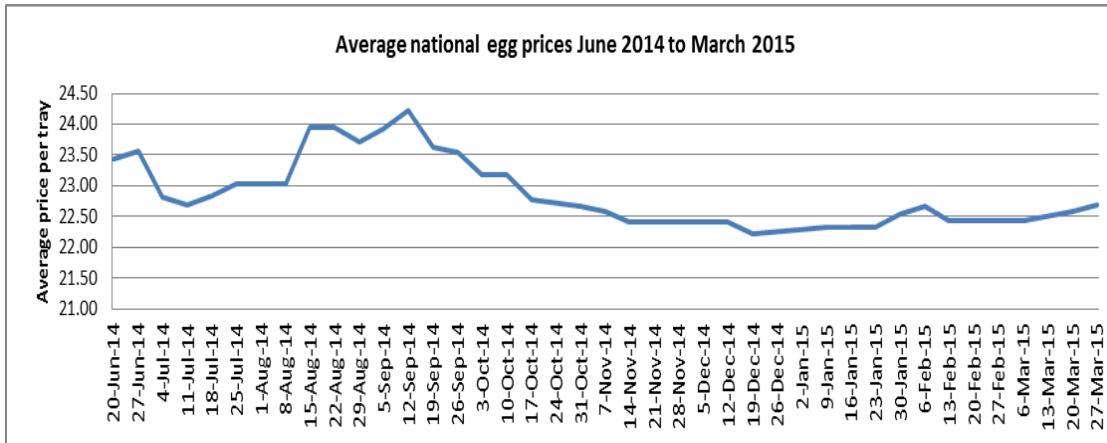
AVERAGE EGG PRICES

Graph1 below shows average retail prices of table eggs in selected provincial centres around the country. Compared to last week, the price of eggs in Mufulira had risen from an average of ZMW22.50 to an average of ZMW24 representing a 6.7% increase in price. Egg prices in the rest of the towns remained stable during the course of the week.



Source: Poultry Association of Zambia

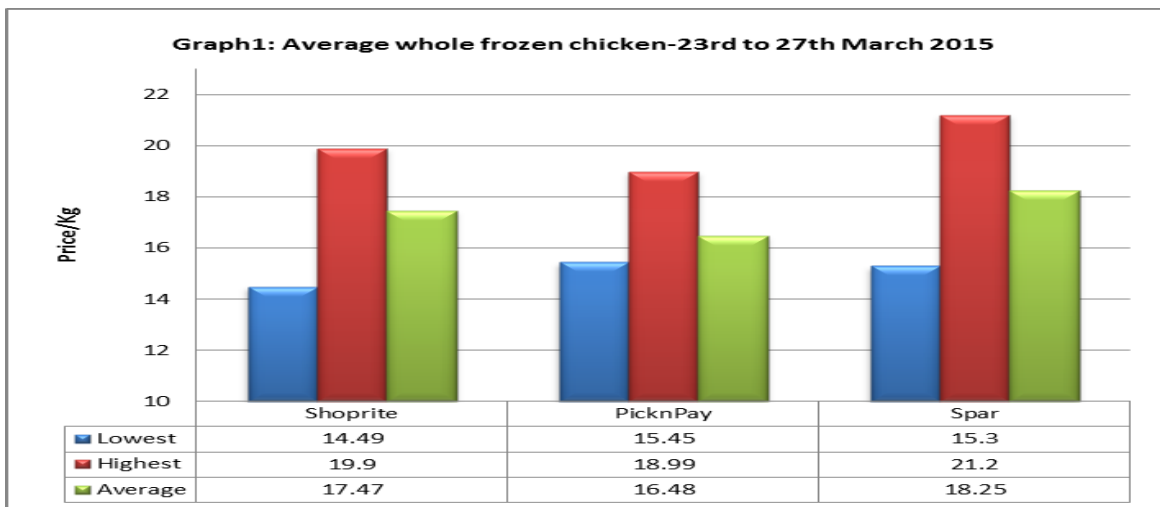
Graph 2 shows the price trend for eggs over a period of nine months from mid-June 2014 to March 2015. The graph shows that the national average price of eggs has been experiencing an uptrend since 13th March 2015. The average national price of eggs as of 27th March 2015 was ZMW22.69.



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 whole dressed chicken in Shoprite was ZMW17.47 with the lowest average price at ZMW14.99 and the highest going for ZMW19.90. The average price for frozen whole chicken in Pick n’ Pay was ZMW16.48 with the lowest and highest going for ZMW15.45 and ZMW18.99 respectively. The average price for frozen whole chickens in Spar was ZMW18.25 with the lowest and highest price of frozen whole chicken going for ZMW15.30 and ZMW21.20 respectively.



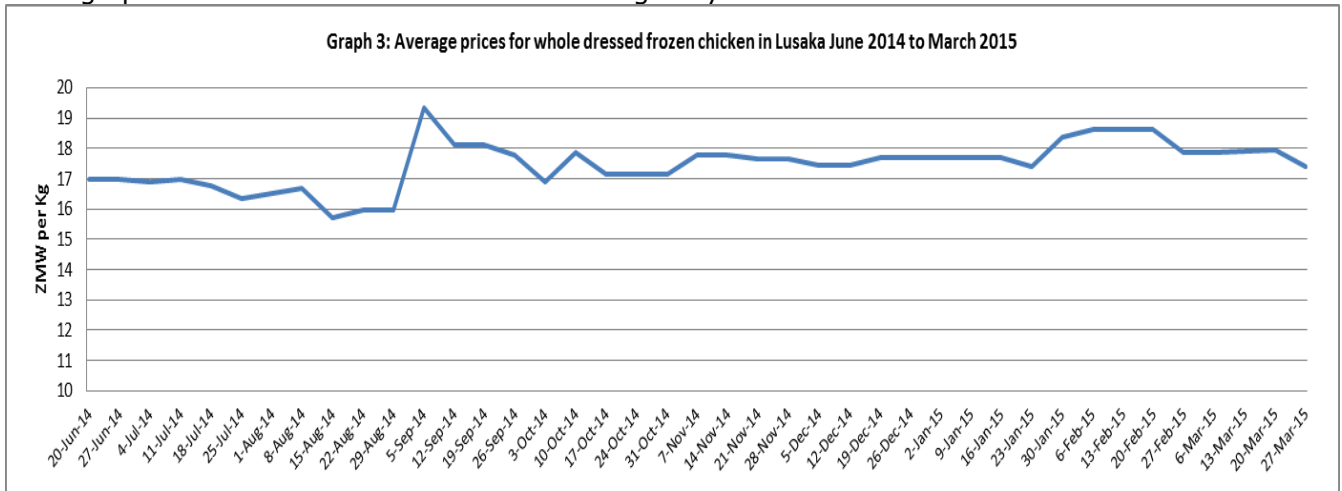
Source: Poultry Association of Zambia

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.



Source: Poultry Association of Zambia

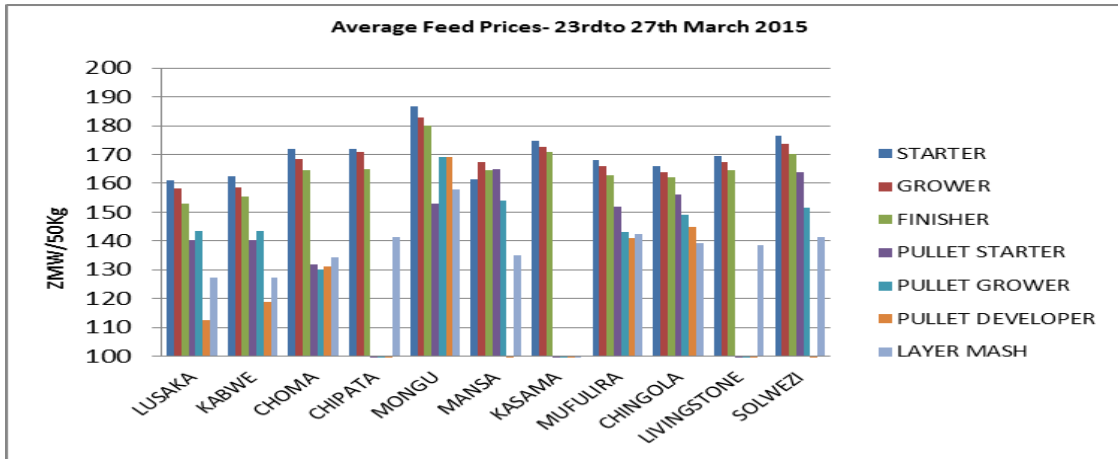
Graph3 shows the average price trend for whole frozen dressed chicken in Lusaka from June 2014 – March 2015. The graph shows that as of 27th March 2015, the national average price of frozen whole chicken had marginally declined to ZMW17.40



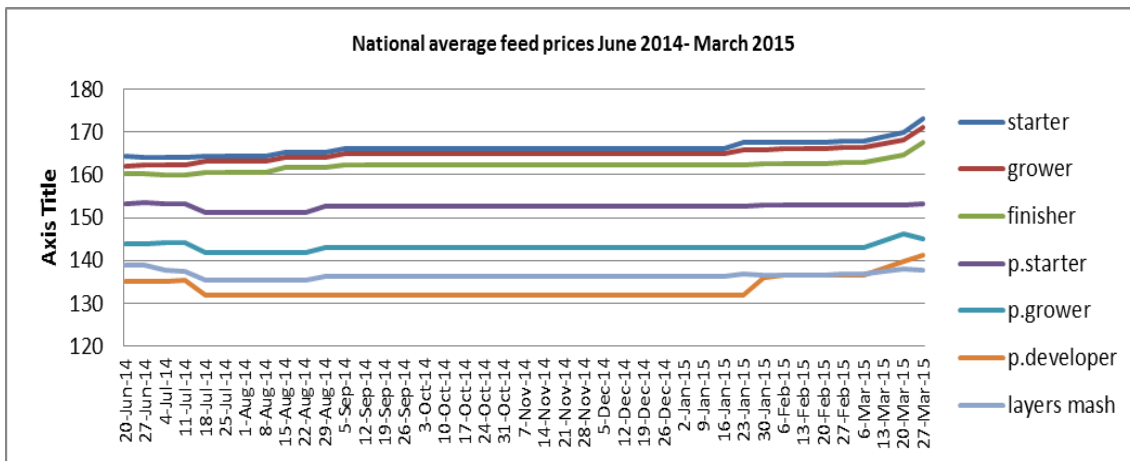
Source: Poultry Association of Zambia

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, Mongu and Solwezi. The graph further shows that pullet feeds were generally lower than broiler feeds. Furthermore the graph also shows that Mongu had the highest prices for feed and prices in Lusaka were generally lower than most of the towns displayed.



Graph 2 shows the national average price trend of feed prices for a period of nine months from June 2014 to March 2015. The graph shows that there had been an increase in the price of all broiler feeds as well as pullet developer as of 27th March 2015. These increases could be attributed to the devaluation of the kwacha against the dollar as well as an increase in the price of inputs. The price of pullet starter and layers mash had been relatively stable during the course of the week.



Source: Poultry Association of Zambia

