



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

2nd March, 2015 Vol.8

Industry Updates

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

Trade Deficit Widens

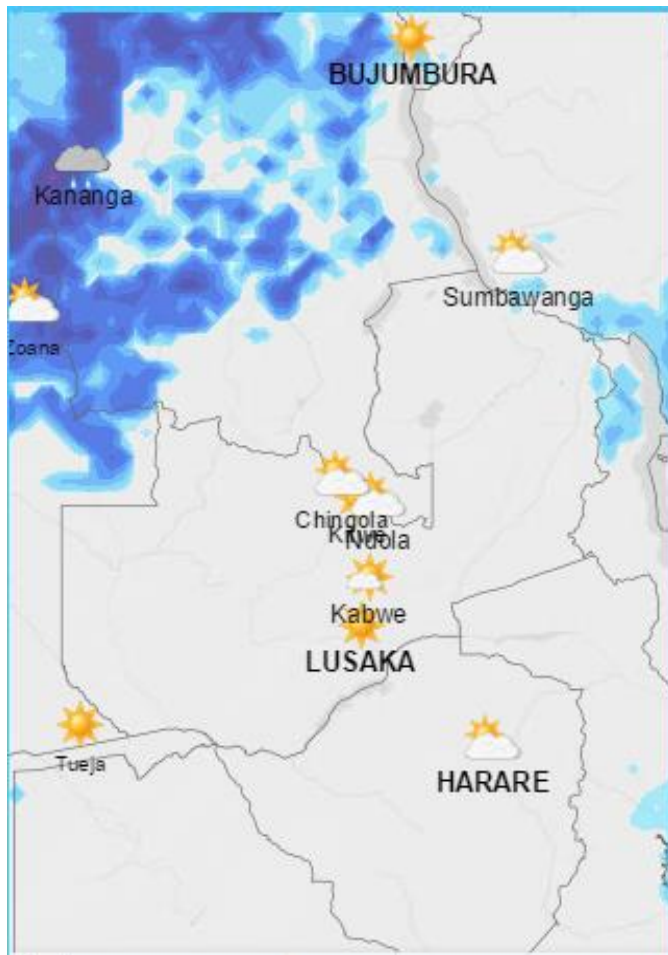
Zambia recorded a trade deficit valued at K113.7 Million in January 2015 from a trade deficit of K72.7 Million recorded in December 2014 according to the Central Statistical office (CSO) data. Zambia's trade balances have maintained a downward trend since July 2014. There has been a general decline in the value of metals exported with the export share of non-traditional exports rising from 21.9 percent in July 2014 to 28.7 percent in January 2015.

Exchange Rates

CURRENCY	02/03/2015						23/02/2015					
	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)	6.82	6.95	0.59	0.60	10.50	10.71	6.91	7.05	0.60	0.61	10.63	10.84
Standard Chartered Bank	6.84	6.98	0.59	0.60	10.54	10.75	6.92	7.06	0.60	0.61	10.65	10.86
ZANACO	6.82	6.95	0.58	0.60	10.45	10.72	6.92	7.05	0.59	0.61	10.59	10.86
Bank of Zambia	6.88	6.90	0.587	0.589	10.59	10.69	6.97	6.99	0.599	0.60	10.72	10.76

Weather Forecast

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



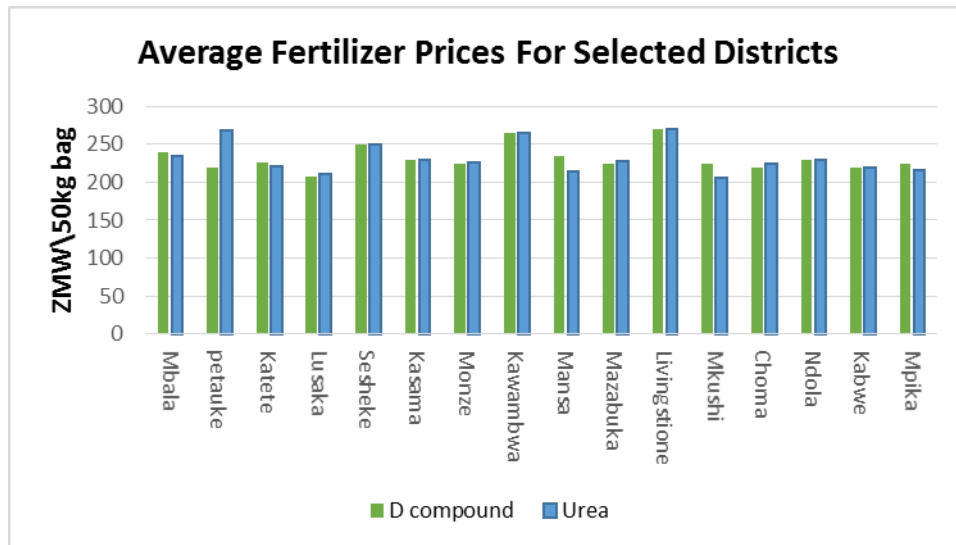
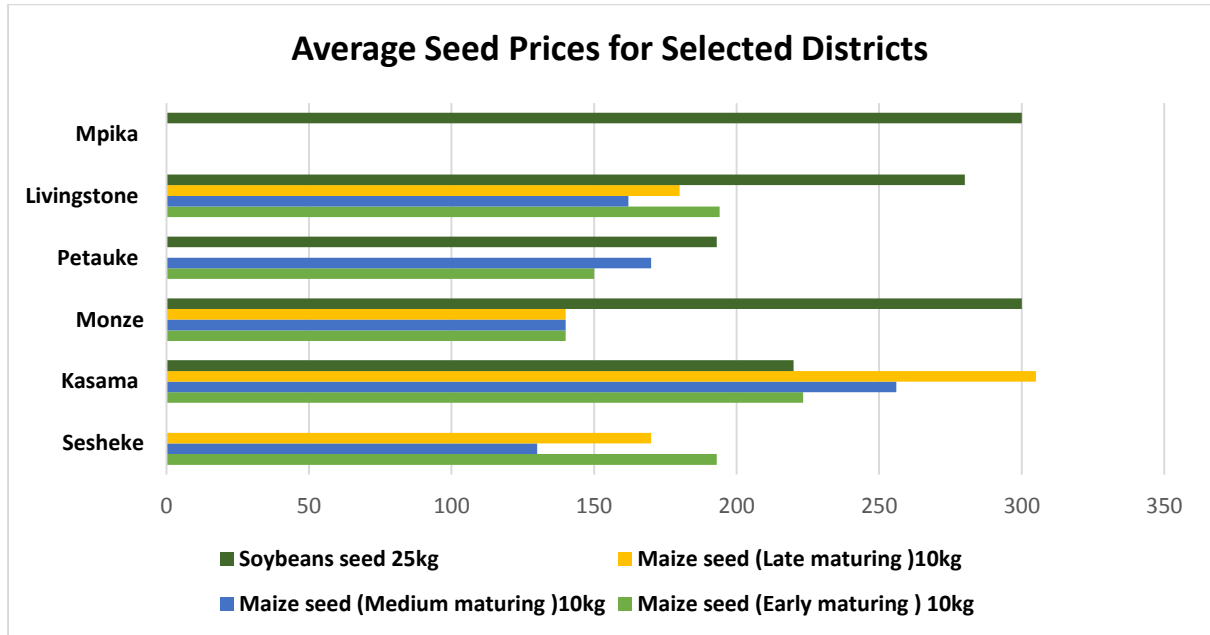
TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Heavy rains forecast for the 3rd and normal rains on the 4th. Light showers anticipated on the 6th with clear sunny skies the rest of the week. ➤ Average daily Temps: 17-26°C
Mkushi	<ul style="list-style-type: none"> ➤ Normal rains expected on the 3rd and light showers on the 4th with the rest of the week experiencing mostly clear sunny skies. ➤ Average daily Temps: 17-25°C
Kabwe	<ul style="list-style-type: none"> ➤ Normal rains expected on the 3rd & 4th with the rest of the week experiencing mostly clear sunny skies. ➤ Average daily Temps: 17-26°C
Lusaka	<ul style="list-style-type: none"> ➤ Normal rains expected on the 3rd with the rest of the week

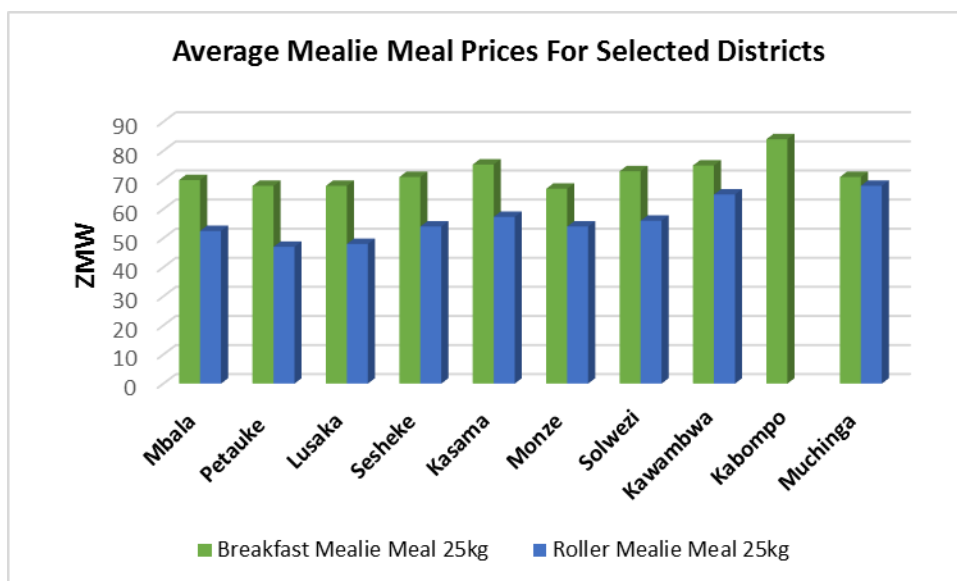
	<ul style="list-style-type: none"> ➤ experiencing mostly clear sunny skies. ➤ Average daily Temps: 15-25°C
Mazabuka	<ul style="list-style-type: none"> ➤ Normal rains expected on the 3rd with the rest of the week experiencing mostly clear sunny skies. ➤ Average daily Temps: 18-28°C.
Choma	<ul style="list-style-type: none"> ➤ Heavy rains forecast for the 3rd and normal rains on the 4th while the rest of the week is expected to be mostly sunny. ➤ Average daily Temps: 18-26°C
Livingstone	<ul style="list-style-type: none"> ➤ Normal rains expected on the 3rd with the rest of the week experiencing mostly clear sunny skies. ➤ Average daily Temps: 18-29°C
Mongu	<ul style="list-style-type: none"> ➤ Heavy rains forecast for the 3rd, 4th & 6th and normal rains on the 5th. The 7th will be partly cloudy with the rest of the week experiencing clear sunny skies. ➤ Average daily Temps: 19-28°C.
Mansa	<ul style="list-style-type: none"> ➤ The 7th & 8th will be partly cloudy to clear sunny skies while the rest of the week is expected to have normal rains. ➤ Average daily Temps: 18-27°C.
Kasama	<ul style="list-style-type: none"> ➤ Heavy rains forecast from the 3rd to 7th with light rains on the 8th and normal rains on the 9th. ➤ Average daily Temps: 16-25°C.
Solwezi	<ul style="list-style-type: none"> ➤ Normal rains forecast for the 3rd & 6th with heavy rains on the 5th. The rest of the week will be mostly partly cloudy. ➤ Average daily Temps: 16-27°C.
Chipata	<ul style="list-style-type: none"> ➤ Heavy rains expected on the 3rd with the 4th being cloudy with chances of showers. The 5th & 6th will be partly cloudy while the 7th & 9th will have rain showers. Normal rains expected on 8th. ➤ Average daily Temps: 17-26°C.

Source: Norway meteorological Institute

COMMODITY HIGHLIGHTS

The seed, fertilizer and mealie meal prices are for the month of February 2015





Parity Prices

Import Parity Prices

The following import parity prices were compiled by ZNFU as at 2nd March, 2015.

Domestic Import Parity Prices as at 02/03/2015					
US\$/ZAR=11.55 US\$/ZMK=6.95					
Parity Prices		U\$/ZMK	Maize	Soya	Wheat
Lusaka		6.84	444.73	634.92	487.68
Town	Ex-Lusaka freight (ZMK)	\$	\$	\$	\$
Chipata	275	40.20	484.93	675.12	527.88
Mkushi	225	32.89	477.62	667.81	520.57
Ndola	250	36.55	481.28	671.47	524.23
Kitwe	250	36.55	481.28	671.47	524.23

Export Parity Prices (Harare Lusaka)

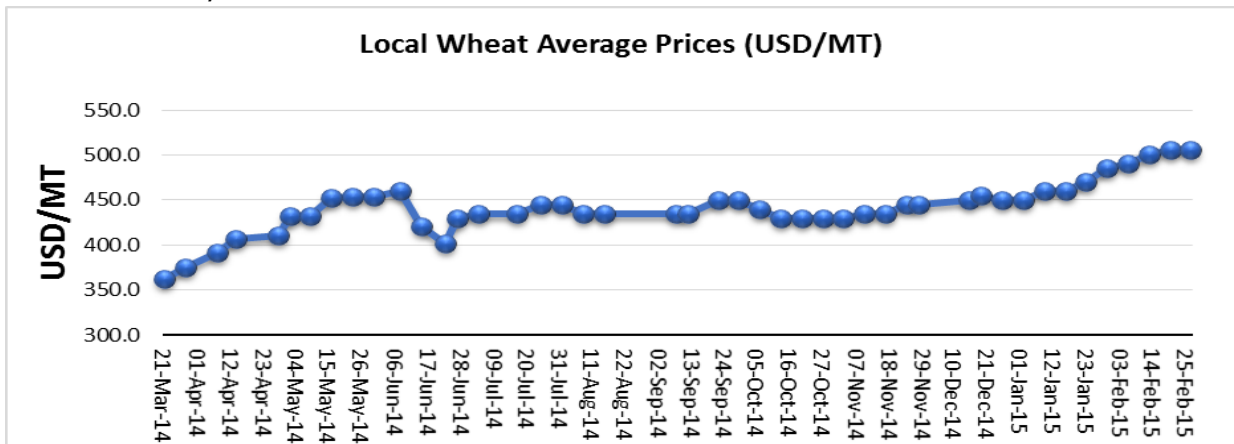
Export Parity Price (EPP)Harare-Lusaka	
Soya Beans	510.4
Wheat	393.34
Maize	295.88

Wheat

Highlights

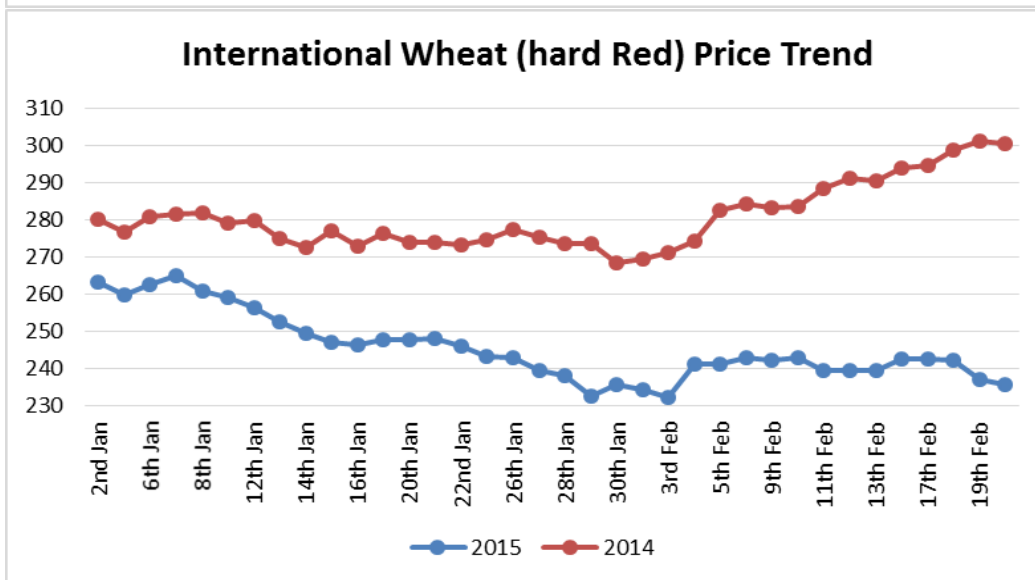
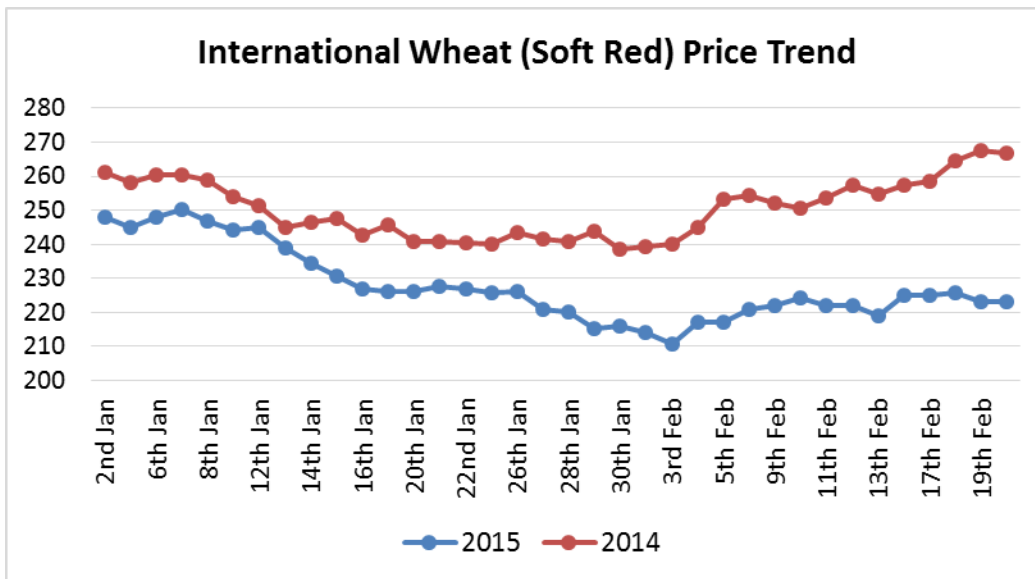
- According to Reuters, Euronext is today set to open a new wheat contract, which would trade at a premium to already existing contracts. This is aimed at taking care of the quality concerns raised by a rain hit harvest in some part of the EU such as France.

- The International Grain Council (IGC) forecasts a favourable global 2015/16 harvest and anticipates only a minute year-on-year decline in production to 705 million tons, down from the 2014/15 production estimates of 719 million tons
- The Chicago wheat future price for delivery in March 2015 settled at US\$ 189.23/MT by end of day on 2nd March 2015.
- Local wheat offer prices were averaging US\$515/ton in the week ending 27th February 2015.



Price trends

The Safex international soft red and hard red wheat averaged US\$216.54/ton and US\$230.96/ton respectively in the week ending 27th February 2015. In comparison to the previous week, soft red recorded a price decline of 3.51% while hard red prices fell by 3.82 percent on average.

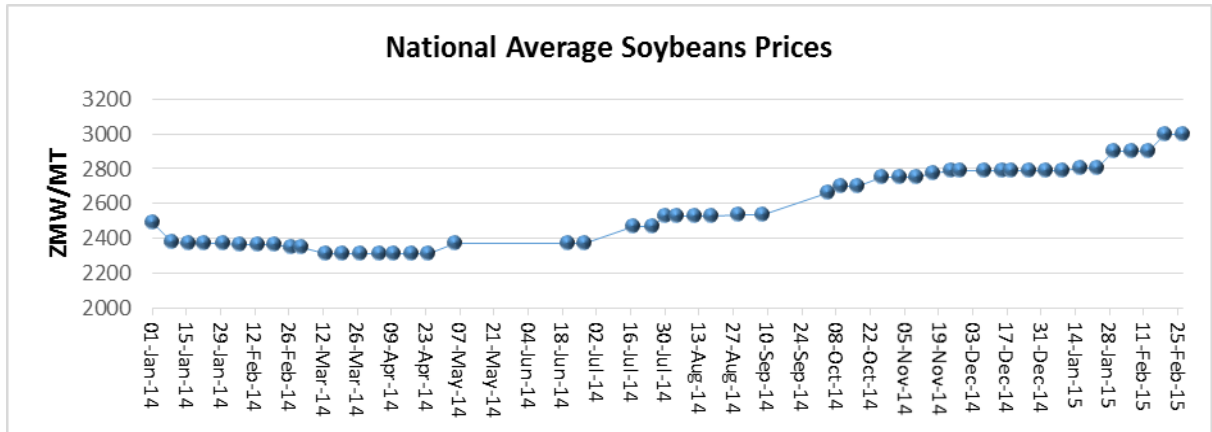


Source: Safex

Soya Beans

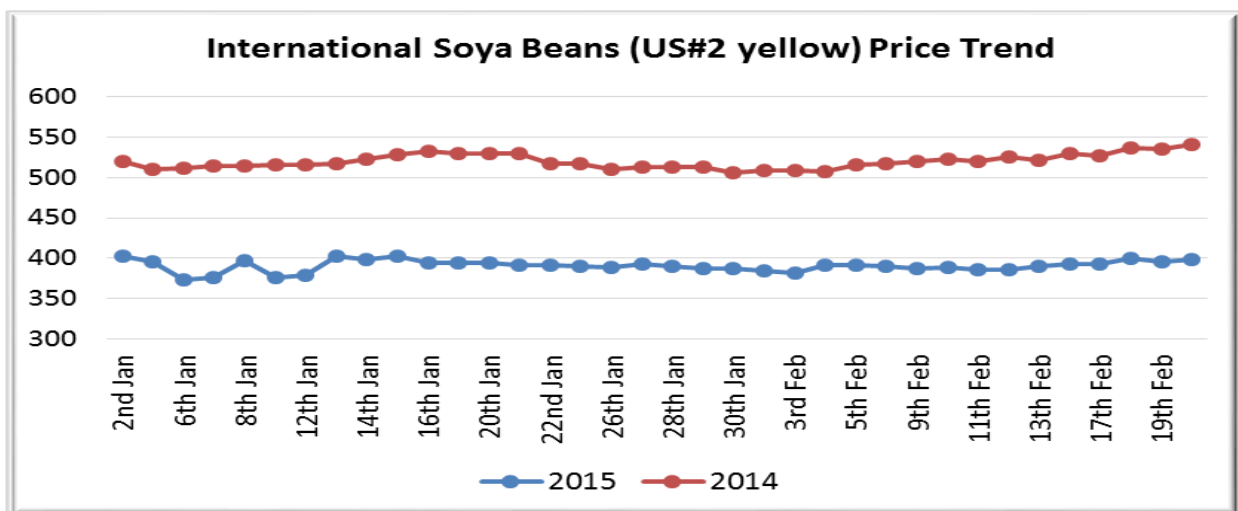
Highlights

- South Africa's 2014/15 soya beans area planted now stands at 687,300 hectares, 36.67 percent above last season's plantings. The forecast harvest of 938,350 tons is however expected to be 15 lower than last year's crop due to poor weather.
- International soya beans price rally upwards last week was supported by a strike by Brazilian truckers which saw a slowdown in exports.
- Soya beans for May delivery closed trading on Chicago Mercantile Exchange at US\$379.92/ton on 2nd March 2015.
- Local soya beans offer prices by traders were averaging ZMK3000/ton in the week ending 27th February 2015.



Price trends

International prices of US No. 2 yellow soya beans on Safex during the week ending 27th February averaged US\$401.32, 1.30% above the previous week's average price of US\$396.18/MT. All prices are fob gulf.



Source: Safex

Maize

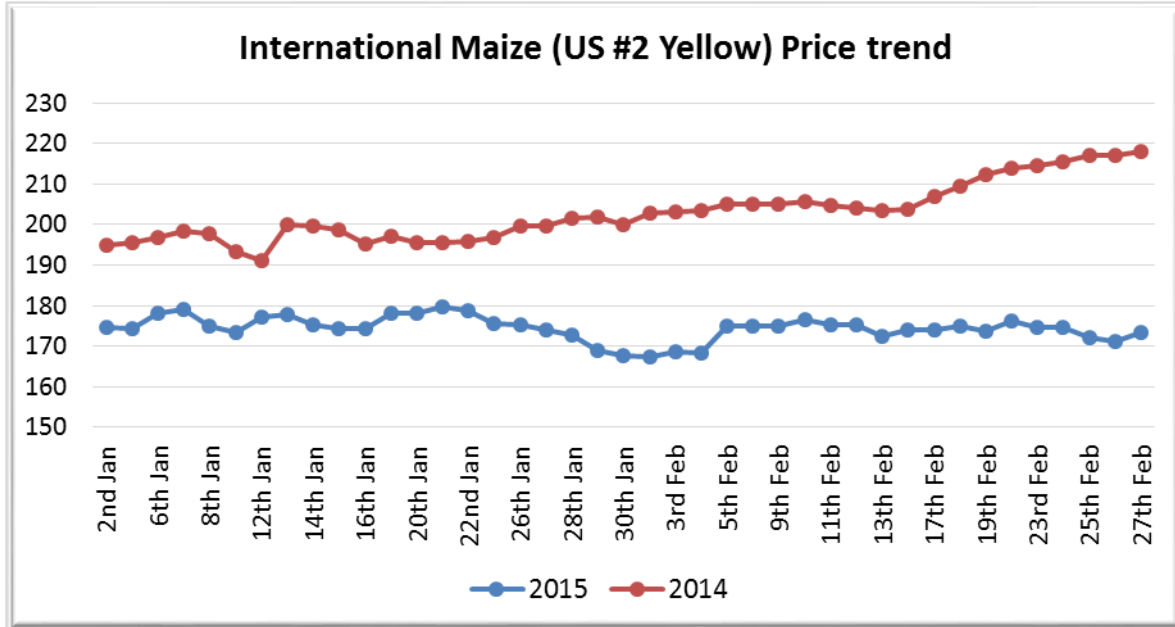
Highlights

- Pessimisms surrounding South Africa's maize crop have grown with the latest figures released by the country's department of Agriculture forecasting a 32 percent drop in the final output on the backdrop of severe droughts experienced in January and February. While the 2014/15 area planted is slightly higher than projected in January, the total commercial production has been forecast at 9.67 million tons down from last year's record crop of 14.25 million tons. Grain SA has indicated that due to the expected decreases in the crop, South Africa may need to import around 1.65 million tons of yellow maize.
- The Chicago maize future price for delivery in March 2015 was posted at US\$ 150.54/MT on 2nd March 2015.

- Local maize offer prices averaged ZMK1, 450/ton on the ZNFU market price information system in the week ending 27th February 2015.

Price trends

During the week ending 27th February, international fob prices as recorded by Safex averaged US\$173.18/ton down by 0.80% in comparison to the previous week.



Source: Safex

Cotton

Highlights

- Chinese January 2015 cotton yarn imports of 197,963 tons are the country's largest import levels on record. India was the largest supplier accounting for about 35 percent of the country's cotton imports.
- CME prices for May delivery settled at 64.93 cents/pound (\approx US\$1.43/kg) on 27th February 2015 while Cotlook prices were pegged at 71.50 cents/pound (\approx US\$1.57/kg).



Source: CME

Beef

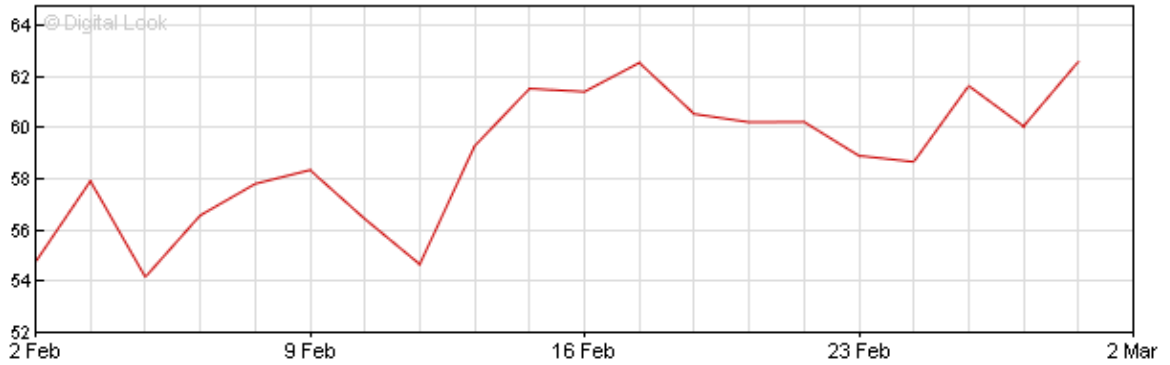
Highlights

- The European Union's beef output has been forecast to grow in 2015 though at a slower pace than earlier anticipated. The region is expected to produce about 7.44 million animals and raise its export levels from 301,000 to 325,000 heads of cattle according to USDA data.
- According to the South African feedlot Association, Live cattle and beef carcass was going for ZAR19.43/kg and ZAR33.12/kg respectively in the week ending 22nd February 2015.
- Weaners and heifers, on the Namibian market, were auctioning for about R16.53/kg and R15.55/kg respectively as of 20th February 2015. Meanwhile beef in abattoirs was trading at about R28.89-34.52/kg for class A meat while class C meat was going for ZAR23.22-28.50/kg on 23rd February 2015.
- Local beef offer prices by most buyers were averaging ZMK17.97/kg in the week ending 27th February 2015.

Crude oil

- News of increased US crude oil inventories had increased by 8.4 million barrels in the week ending 20th February 2015 saw WTI crude oil prices retreat last week to below US\$50/barrel. Brent prices however maintained their slow but steady climb.
- Brent crude oil futures settled at US\$60.84/barrel while WTI prices were around US\$49.01 by 16:30 hrs 2nd March 2015.
- Oman's settlement price for May 2015 contract settled at US\$60.00/barrel on the Dubai Mercantile Exchange (DME) early morning on 2nd March 2015.

Brent Crude Oil Futures \$/barrel



Source: BBC Business, 2015

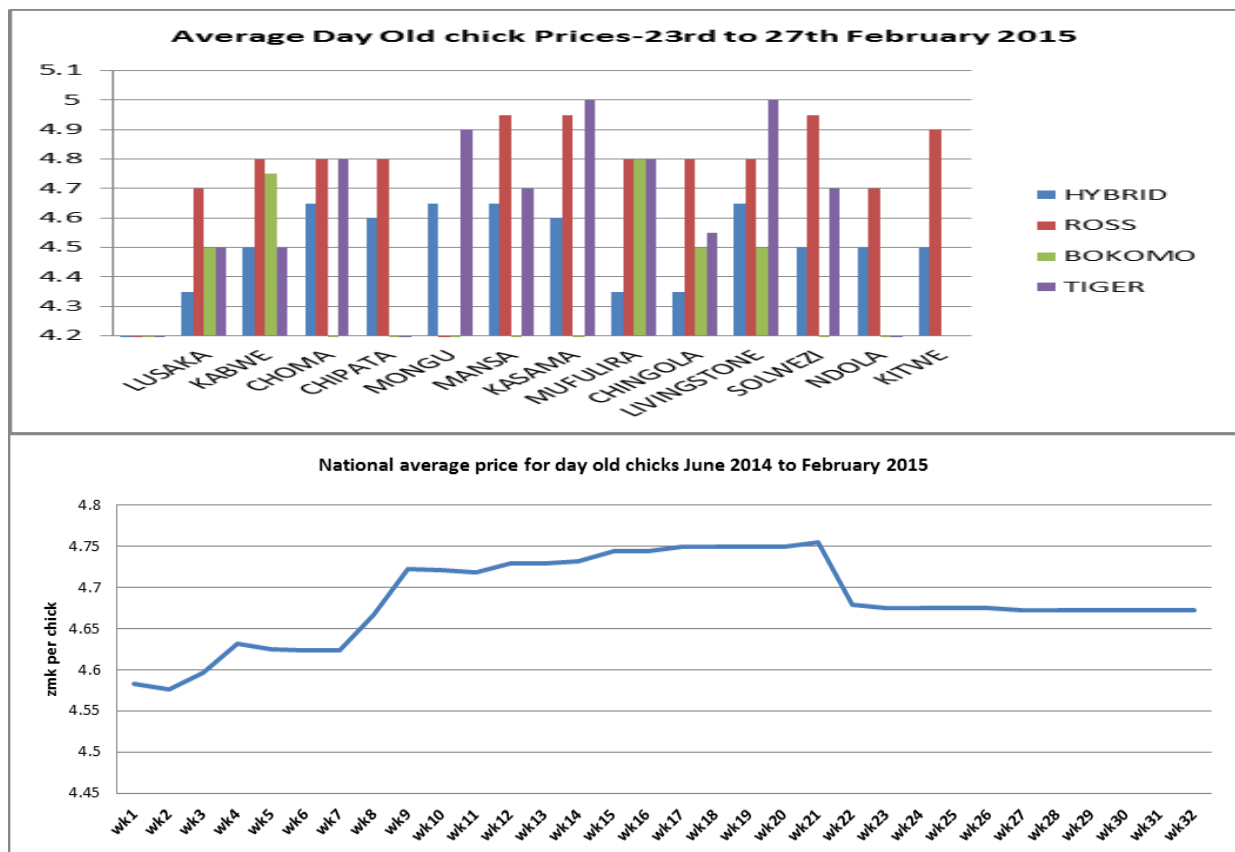
POULTRY

DOMESTIC POULTRY PRICES FOR WEEK ENDING 27TH FEBRUARY 2015

AVERAGE DAY OLD CHICK PRICES

Graph 1 shows the price of different brands of day old chicks in selected towns. Prices remained stable during the course of the week.

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

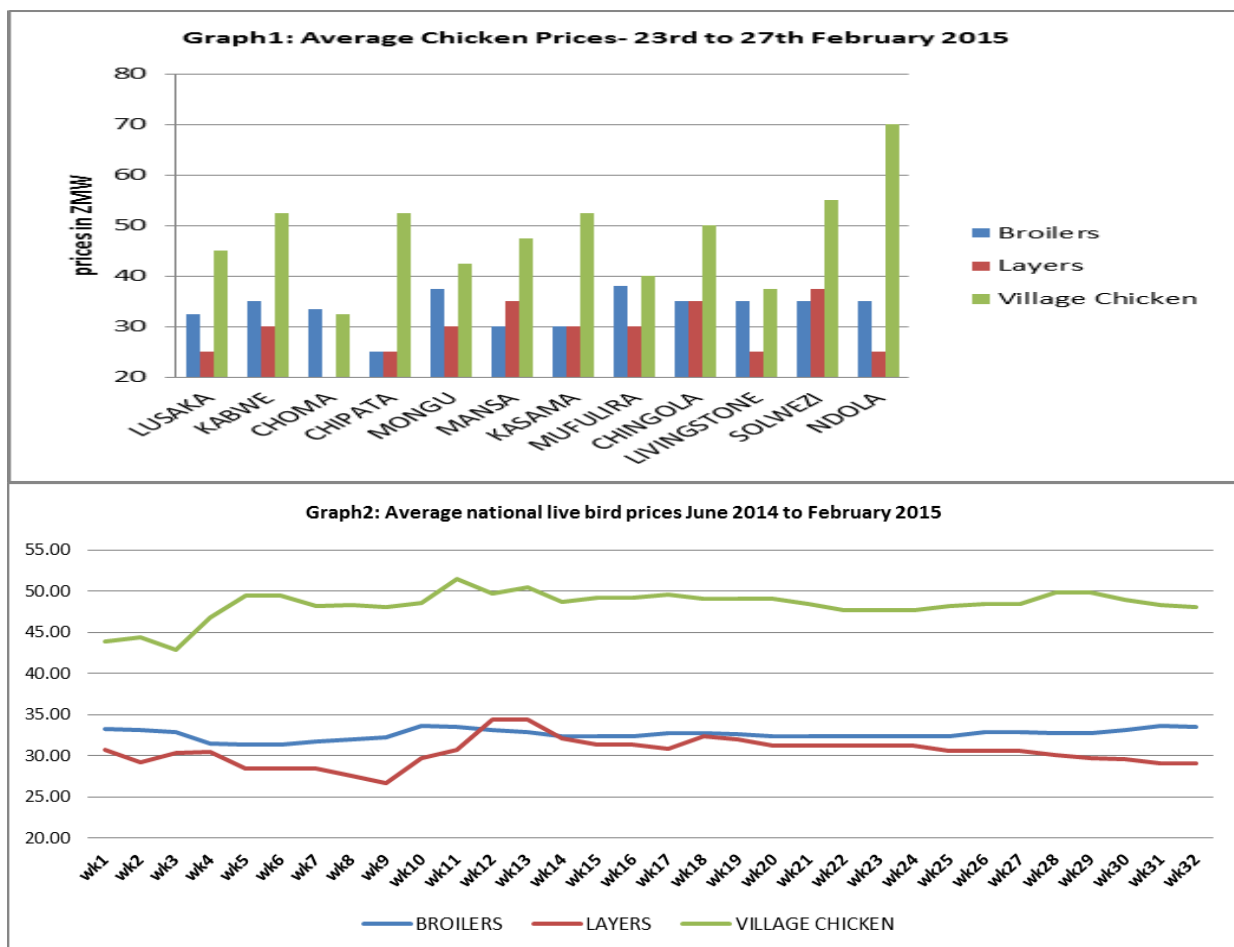


Source: Poultry Association of Zambia

AVERAGE LIVE BIRDS PRICES

Graph1 below shows the average live bird prices in Lusaka, Choma, Kabwe, Chipata, Mongu Mansa, Mufulira, Chingola, Solwezi, Ndola, Kitwe and Livingstone. The price of broilers and village chickens in Kasama reduced from ZMW31.5 to ZMW30 and from ZMW55 to ZMW52.5 representing a 4.8% and 4.5% price reduction respectively. This can be attributed to an increased supply of live birds. No other changes were registered in the rest of 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 the national average price of village chickens continued to decline and was at ZMW48.13 in week 32, while the national average price for layers was relatively stable at ZMW29.13. The national average price for broilers was ZMW33.46 in week 32.

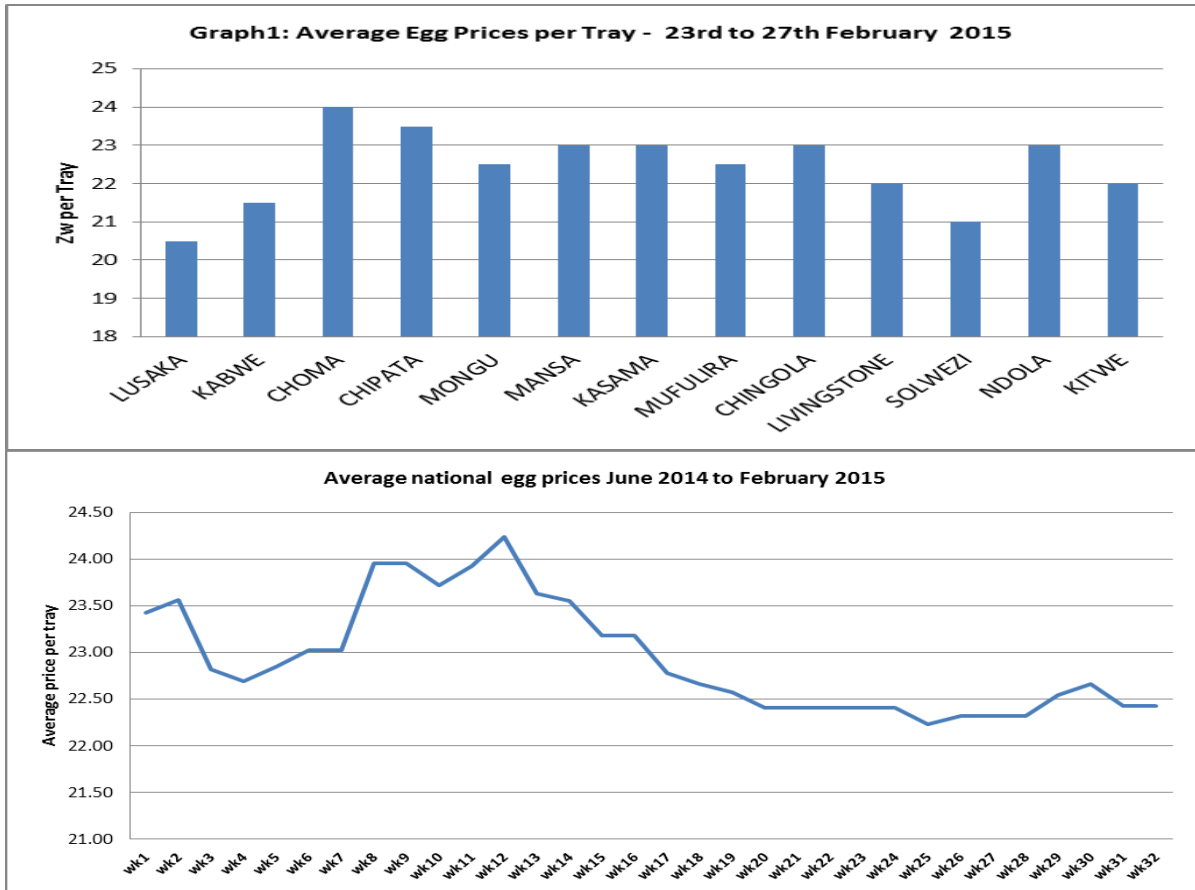


Source: Poultry Association of Zambia

AVERAGE EGG PRICES

Graph1 below shows average retail prices of table eggs in selected provincial centres around the country. The price of eggs were relatively stable with Choma Posting the highest price at ZMW24 and Lusaka posting lowest price at ZMW20.5.

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 the national average price of eggs has been static in week 31 and 32 at ZMW22.42. This was after dropping from an average of ZMW22.67.

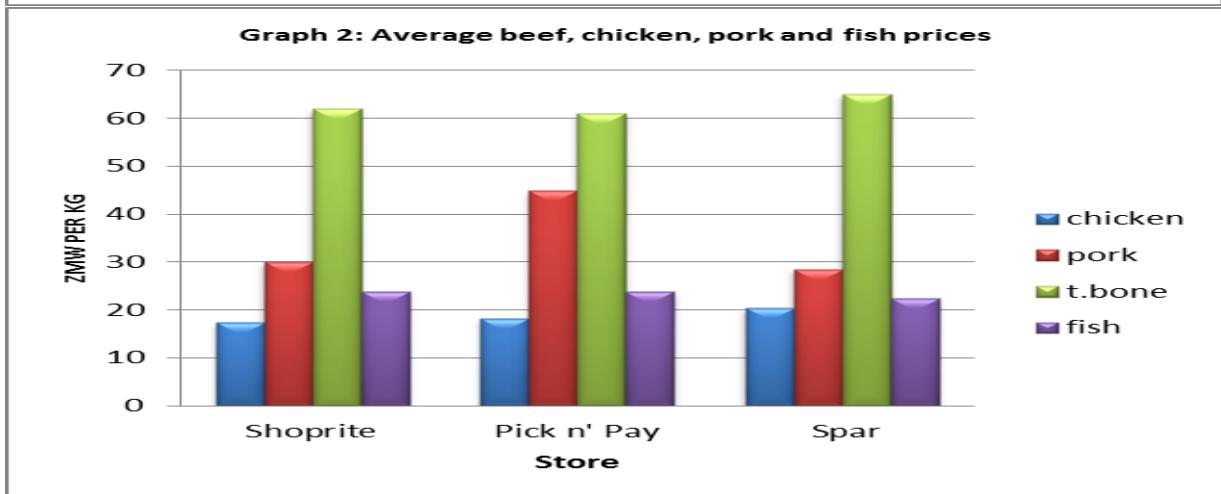
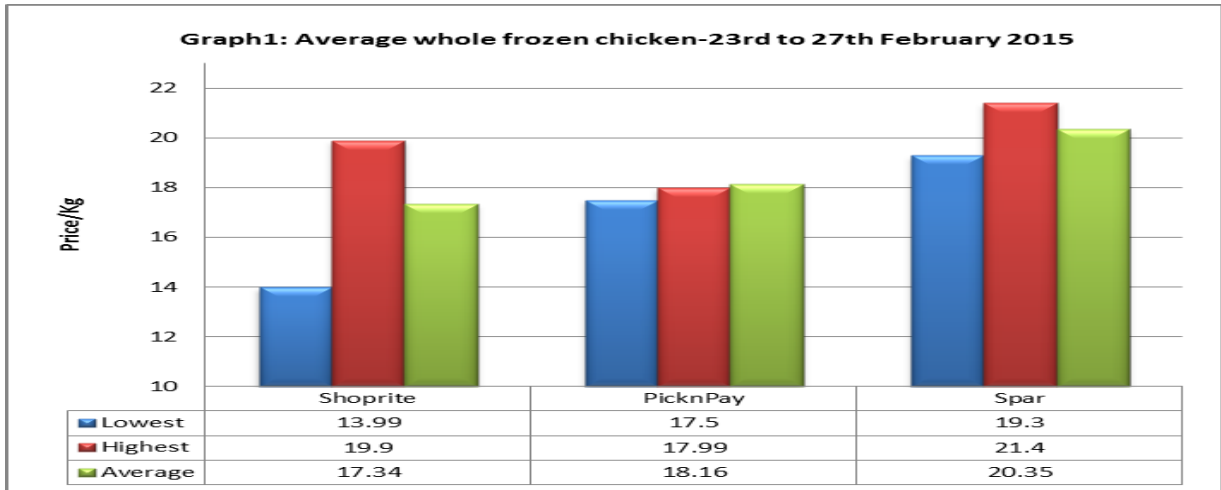


Source: Poultry Association of Zambia

AVERAGE WHOLE DRESSED CHICKEN PRICES

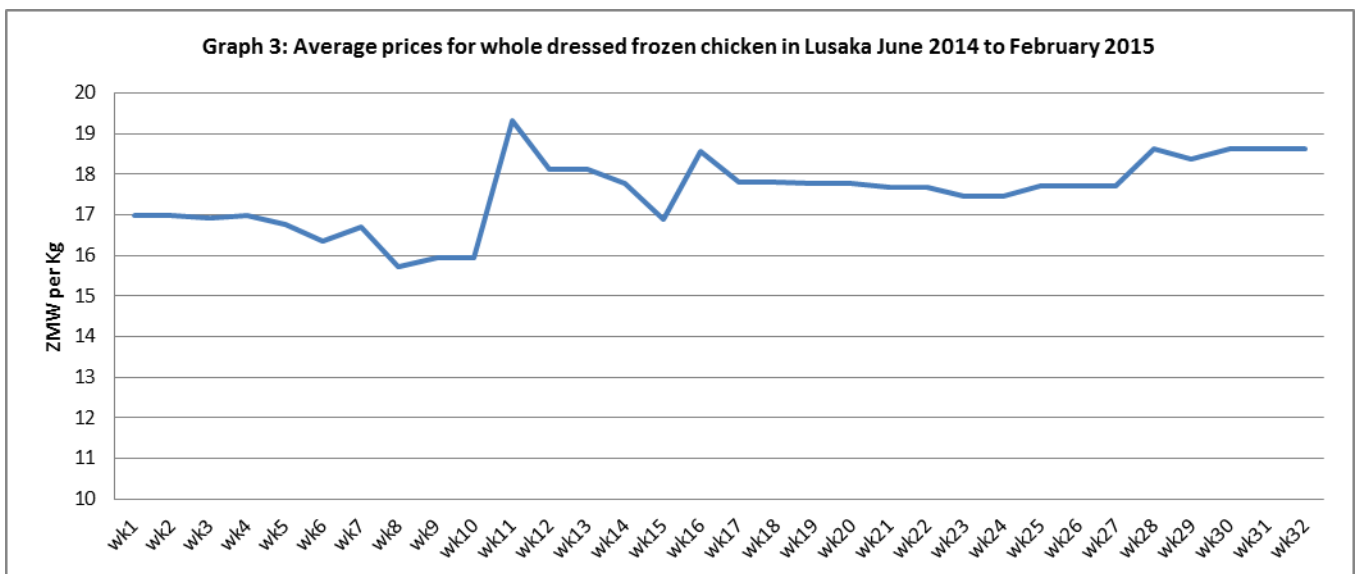
Graph1 below shows average prices of whole frozen chickens in the three chain stores around Lusaka. The average price for frozen whole chicken in Pick n’ Pay was ZMW20.35. The average price for frozen whole chickens in Spar was ZMW20.35 with the lowest and highest price of frozen whole chicken going and had a range of ZMW19.30 to ZMW21.40. Shoprite has the lowest average price at ZMW17.34 with the highest price pegged at ZMW19.90.

Graph 2 shows the average prices for beef, chicken and Pork products in 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 – February 2015. The graph shows that the average price of whole dressed frozen chicken has been static for a period of three weeks at ZMW18.61.

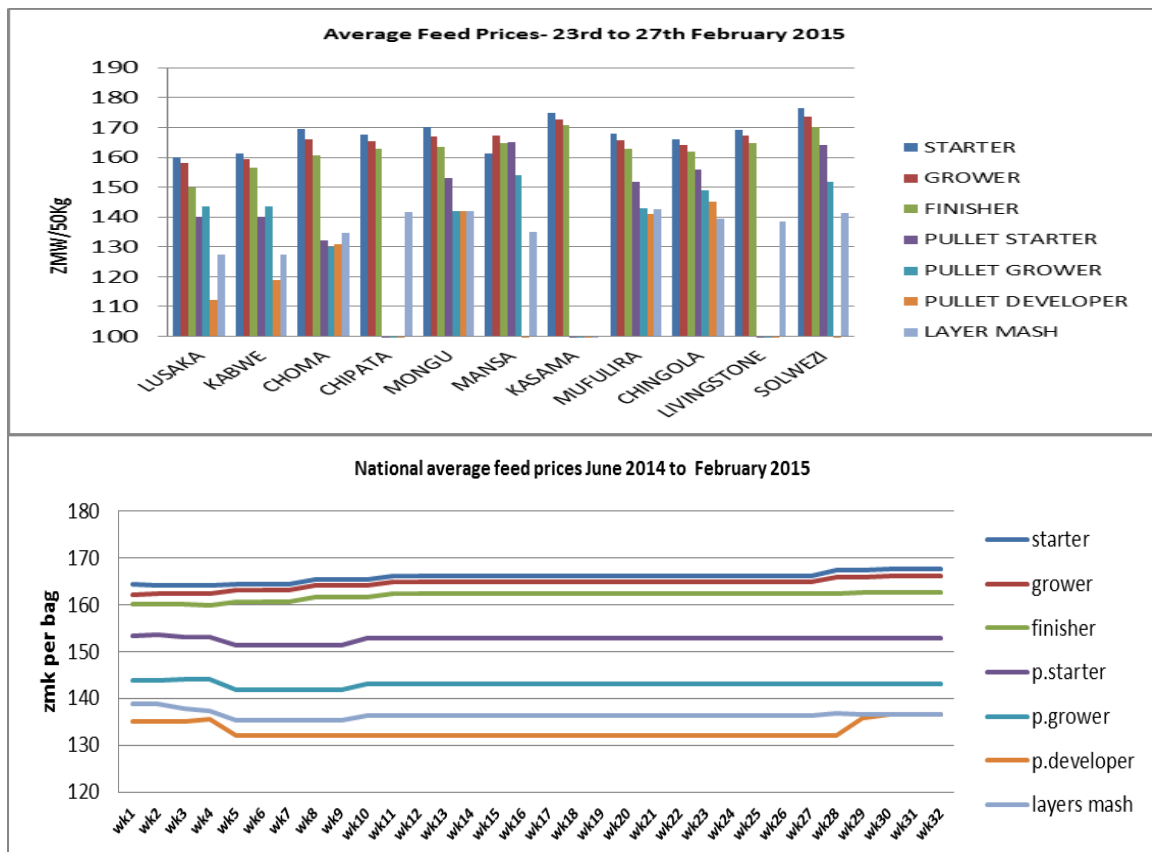


Source: Poultry Association of Zambia

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 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. No significant changes have been registered in the average price of feed during the course of the week.



Source: Poultry Association of Zambia

DAIRY

RETAIL MILK PRICES

Average milk prices in the major chain stores have reduced in the month of February. Average price of 500ml fresh milk has reduced by 19% from ZMK 4.80 in the first week of February to ZMK 3.90. Another notable average price reduction is that of 250ml yogurt cup that recorded a 19% reduction from ZMK 3.68 to ZMK3.0. The average price of 500ml yogurt recorded a 17% reduction from ZMK 10.90 to ZMK9.0.

MILK PRODUCTS AVERAGE RETAIL PRICES					
Ser.	PRODUCT	QUANTITY	06/02/15	27/02/2015	Price Change
1	FRESH MILK	500ml	4.80	3.90	-19%
2	FRESH MILK	1Ltr	9.95	9.20	-8%
4	UHT MILK	250ml	3.20	2.90	-9%
5	UHT MILK	500ml	5.53	5.00	-10%
6	YOGURT	100ml	5.80	5.20	-10%
7	YOGURT	175ml	4.28	3.90	-9%
8	YOGURT	250ml	3.68	3.00	-19%
9	YOGURT	300ml	4.25	4.00	-6%
9	YOGURT	500ml	10.90	9.00	-17%
10	SOUR MILK	1 L	10.00	9.0	-10%
11	SOUR MILK	500ml	4.20	3.8	-10%

AVERAGE DAIRY FEED PRICES

Average retail prices for dairy feed in the week ending 27th February 2015 were as follows;

A 50kg bag of dairy 19 was selling at ZMK 129.25, 50kg bag of dairy meal selling at ZMK 137.5, 50kg calf starter at ZMK 141.75 and a 25kg bag of maize bran selling at ZMK23.5 as shown in the table below:

DAIRY FEEDS PRICES WEEK ENDING 27th FEBRUARY 2015			
SER.	PRODUCT	QUANTITY (Kg)	AVERAGE PRICE (ZMK)
1	DAIRY 19	50	129.25
2	DAIRY MEAL	50	137.5
3	CALF STARTER (pellets)	50	141.75
4	MAIZE BRAN	25	23.5

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