



THE WEEKLY AGRO WATCH



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Industry Updates

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

Food Price Index dips to Lowest Level in 5 years

The Food and Agricultural Organization (FAO) Food Price Index averaged 179.4 points in February 2015, down 1.8 points (1.0 percent) from its January value and 29 points (14.0 percent) below its level in February 2014. According to FAO, prices of sugar, meat and cereals recorded the largest decline while the prices of oils were relatively stable. Brazil's sugar cane production improved crop prospects, the Depreciation of the Brazilian currency against the U.S dollar and India's move to introduce a sugarcane export subsidy are among the reasons cited for the fall in the International sugar prices. The sugar price index fell by 4.9 percent in February 2015 on a month-on-month comparison.

Exchange Rates

CURRENCY	05/03/2015						02/03/2015					
	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)	6.92	7.06	0.59	0.60	10.56	10.77	6.82	6.95	0.59	0.60	10.50	10.71
Standard Chartered Bank	6.93	7.07	0.58	0.60	10.57	10.78	6.84	6.98	0.59	0.60	10.54	10.75
ZANACO	6.92	7.05	0.58	0.60	10.49	10.76	6.82	6.95	0.58	0.60	10.45	10.72
Bank of Zambia	6.96	6.98	0.59	0.59	10.63	10.66	6.88	6.90	0.587	0.589	10.59	10.69

Trade Updates

EU dictates the agenda for Economic Partnership Agreements Meeting in Madagascar in March 2015

In a renewed effort to push member countries in the Eastern and Southern Africa (ESA) to sign and implement interim Economic Partnerships Agreement (EPA) without further delay, the European Union (EU) is said to have refused to discuss any other issue apart from tariff reduction offers by ESA countries during the forthcoming EPA meetings scheduled for 9-12th March 2015 in Madagascar. This was revealed by a COMESA representative during a stakeholders consultative meeting that took place

at Ministry of Commerce Trade and Industry on 3rd March 2015. The COMESA representative informed the meeting that the EU negotiators were not willing to attend the meeting in Madagascar unless ESA countries make commitments to ensure that they table their tariff liberalization schedules for negotiations. Zambia is one of the ESA countries that have not yet signed the Economic Partnership Agreement, while Zimbabwe had signed but currently revising the tariff liberalization schedule and is not implementing the EPA.

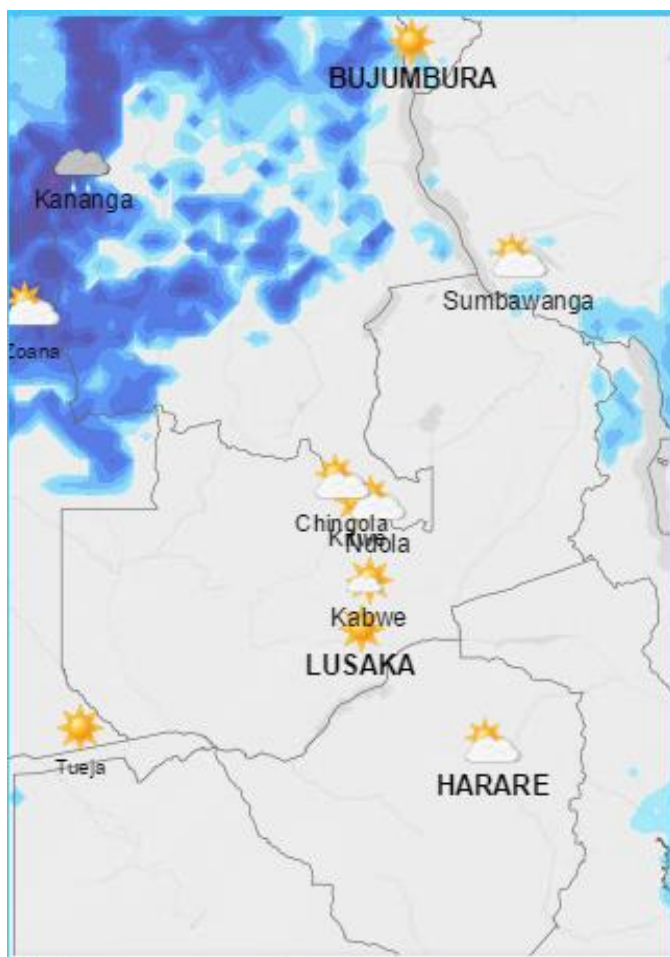
However, stakeholders expressed concern over the unilateral determination of the agenda by the EU negotiators noting that the EPA was being negotiated by equal partners and must exercise mutual respect in negotiations. The meeting observed that a number of issues of interest to Zambia were still outstanding and that it was not fair for the EU to unilaterally decide on the items to be included in the agenda for the Madagascar EPA meeting. Some of the key issues of interest to Zambia in the EPA negotiations include:

- Exclusion of sensitive products from tariff reductions;
- Allow ESA countries and Zambia flexibility to impose export taxes for value addition;
- Inclusion of automatic Special Safeguard Measures from protection against import surges;

The meeting also noted that Zambia's trading partners such as Zimbabwe, Tanzania, Botswana, South Africa, Kenya, Burundi, Rwanda, Lesotho, and Namibia, among others had already signed the Economic Partnership Agreement with the EU.

Weather Forecast

The table summarizes the weather forecast for some selected towns for the period 10th – 14th March 2015



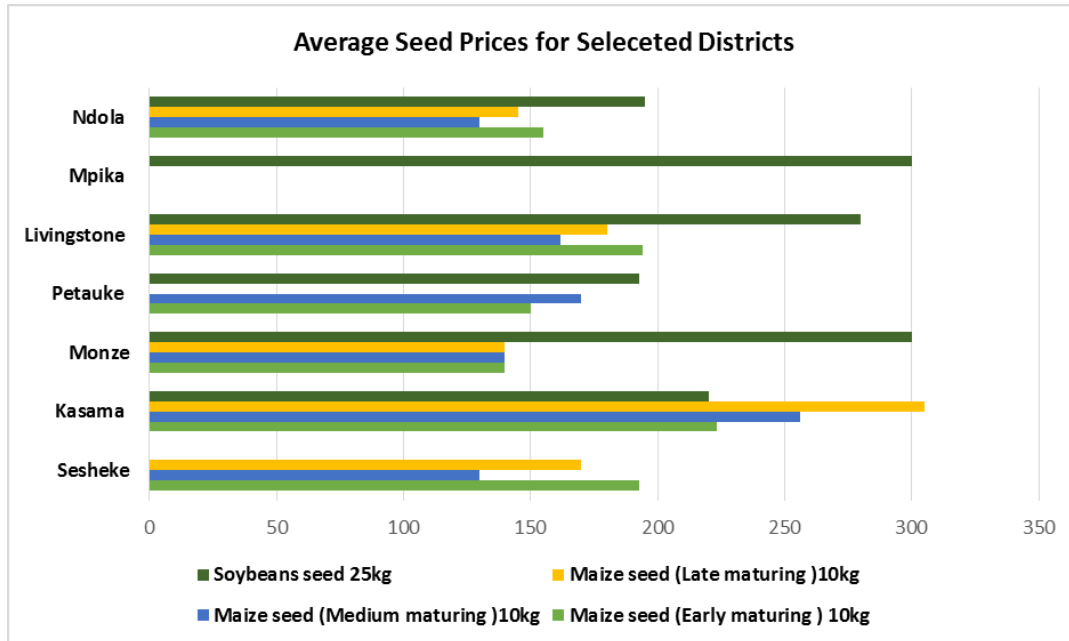
TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ The 10th & 11th will be fairly cloudy with heavy rains forecast for the 13th and normal rains on the 12th & 14th. ➤ Average daily Temps: 17-26°C
Mkushi	<ul style="list-style-type: none"> ➤ The 10th & 11th will be sunny to fairly cloudy with heavy rains forecast for the 12th and normal rains on the 13th & 14th. ➤ Average daily Temps: 17-27°C
Kabwe	<ul style="list-style-type: none"> ➤ Sunny skies forecast for the 10th and normal rains the rest of the week. ➤ Average daily Temps: 17-27°C
Lusaka	<ul style="list-style-type: none"> ➤ Normal rains expected

	<p>throughout the week save for the 13th when it will be partly cloudy and the 14th when showers are forecast.</p> <ul style="list-style-type: none"> ➤ Average daily Temps: 17-25°C
Mazabuka	<ul style="list-style-type: none"> ➤ The week is expected to be fairly cloudy to cloudy with rain showers forecast for the 10th. ➤ Average daily Temps: 18-28°C.
Choma	<ul style="list-style-type: none"> ➤ Rain showers are forecast for the 10th & 14th with heavy rains on the 11th and normal rains the rest of the week. ➤ Average daily Temps: 17-26°C
Livingstone	<ul style="list-style-type: none"> ➤ Rain showers are forecast for the 10th. Normal rains expected the rest of the week save for the 14th when it will be sunny. ➤ Average daily Temps: 21-30°C
Mongu	<ul style="list-style-type: none"> ➤ The 10th & 11th are expected to be fairly cloudy. Heavy rains forecast for the 12th & 13th with normal rains on 14th. ➤ Average daily Temps: 20-28°C.
Mansa	<ul style="list-style-type: none"> ➤ The 10th will be sunny with normal rains expected the rest of the week save for the 12th when heavy rains are anticipated. ➤ Average daily Temps: 18-27°C.
Kasama	<ul style="list-style-type: none"> ➤ The 10th will be sunny with normal rains expected the rest of the week save for the 12th when heavy rains are anticipated. ➤ Average daily Temps: 16-26°C.
Solwezi	<ul style="list-style-type: none"> ➤ The 10th & 11th will be mostly partly cloudy with normal rains forecast for the 12th & 14th while heavy rains are expected on the 13th. ➤ Average daily Temps: 17-27°C.
Chipata	<ul style="list-style-type: none"> ➤ The 10th is expected to be fairly to partly cloudy with heavy rains forecast for the 11th and normal rains the rest of the week. Average daily Temps: 18-26°C.

Source: Norway meteorological Institute

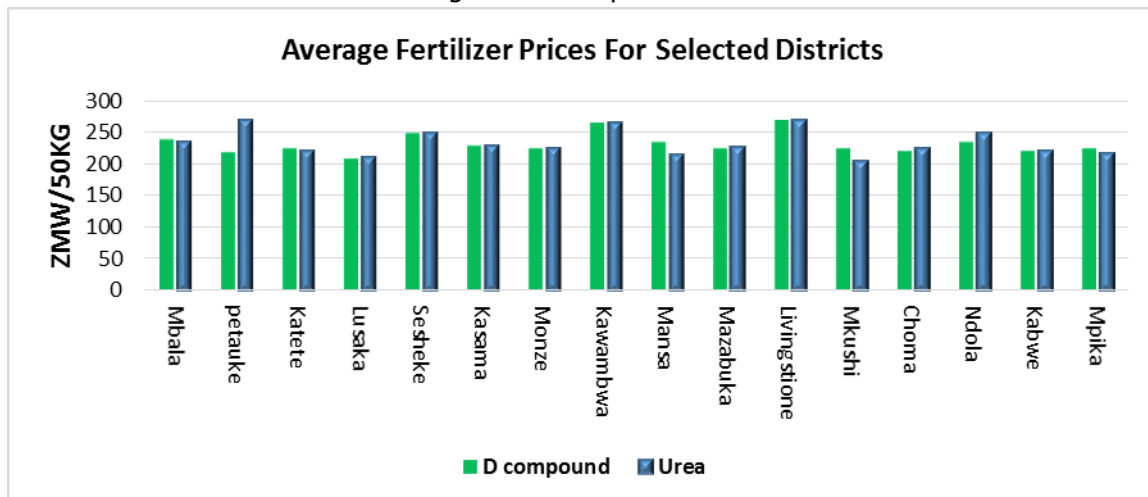
COMMODITY HIGHLIGHTS

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



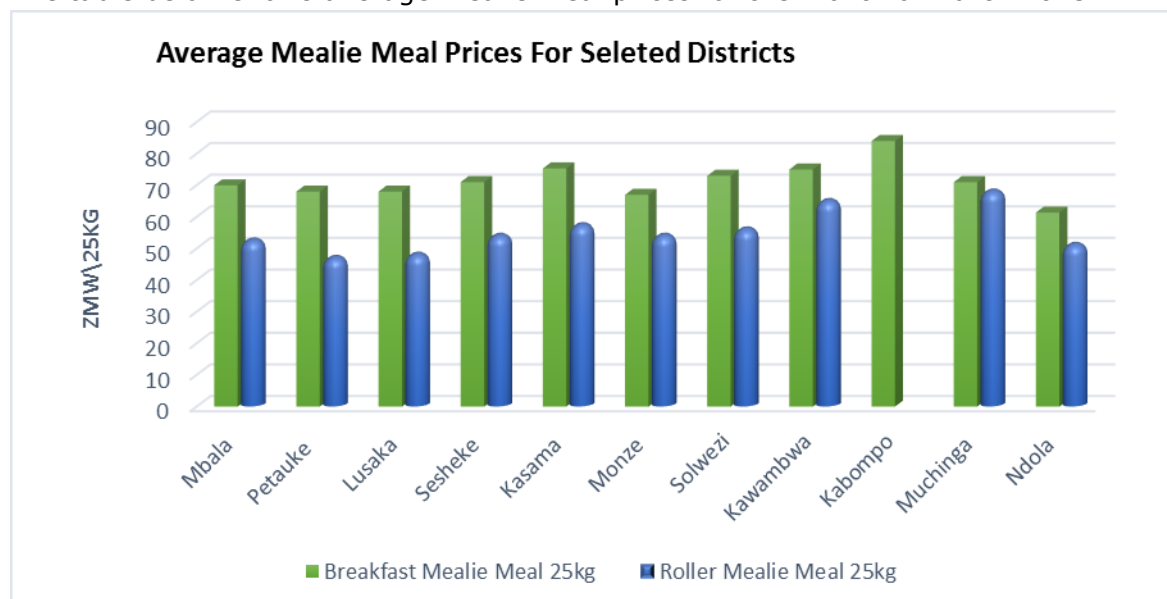
Source: ZNFU Regional Offices

The table below shows the average fertilizer prices for the month of March 2015



Source: ZNFU Regional Offices

The table below shows average mealie meal prices for the month of March 2015.



Source: ZNFU Regional offices

Parity Prices

Import Parity Prices

*The following import parity prices were compiled by ZNFU as at 9th March, 2015.

Domestic Import Parity Prices as at 10/03/2015					
US\$/ZAR=12.02 US\$/ZMK=7.13					
Parity Prices		U\$/ZMK	Maize	Soya	Wheat
Lusaka		7.13	443.86	608.16	486.14
Town	Ex-Lusaka freight (ZMK)	\$	\$	\$	\$
Chipata	275	38.57	482.43	646.73	509.50
Mkushi	225	31.56	475.42	639.72	502.49
Ndola	250	35.06	478.92	643.22	505.99
Kitwe	250	35.06	478.92	643.22	505.99

*Wheat price is as at 5th March 2015 for the July 2015 delivery.

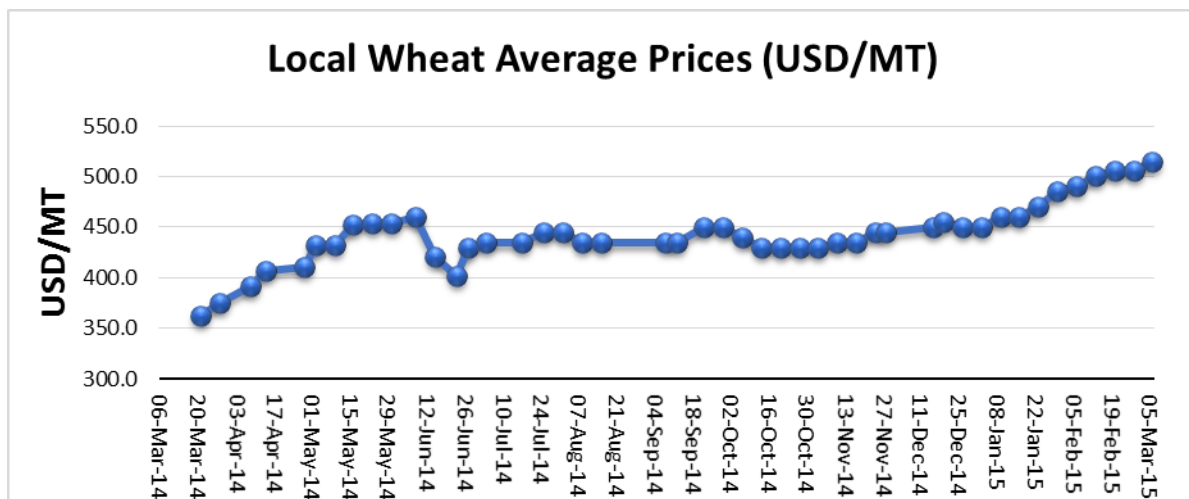
Export Parity Prices (Harare Lusaka)

Export Parity Price (EPP) Harare-Lusaka	
Soya Beans	505.5
Wheat	393.37
Maize	295.87

Wheat

Highlights

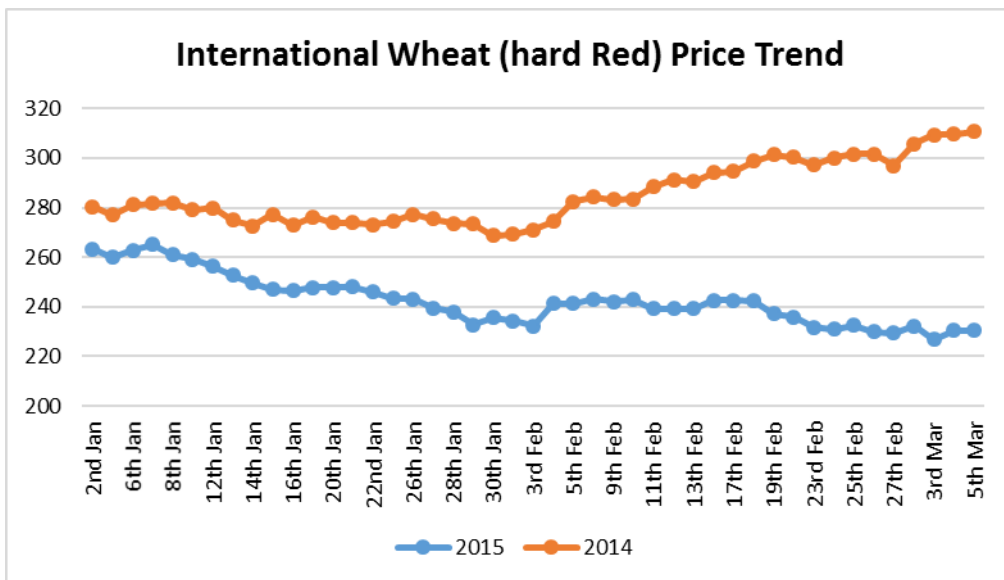
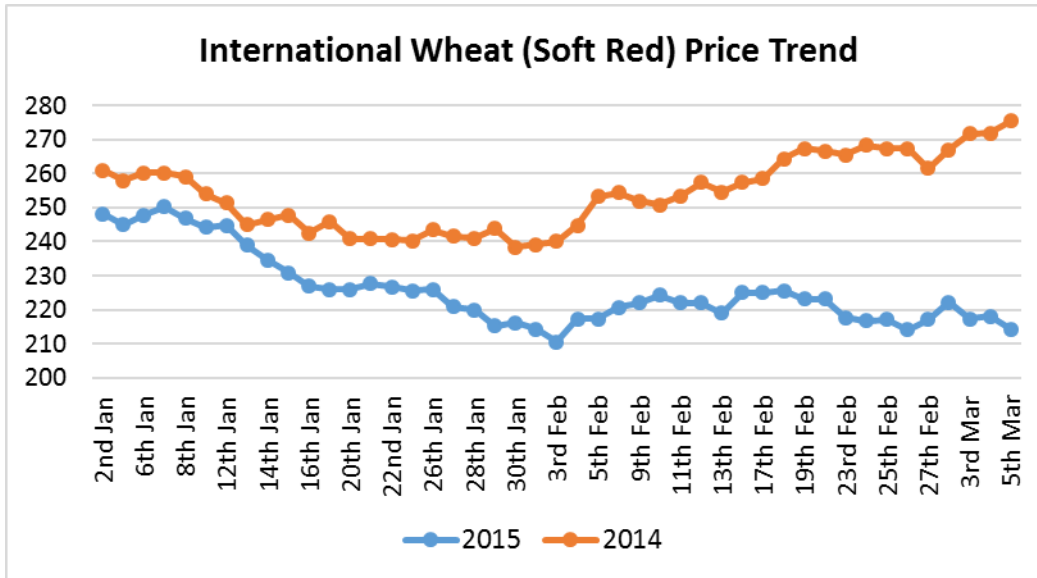
- Russia's wheat crop prospects have improved with the country's agricultural Minister stating that the effects of the dry and cold autumn on the crop was less than initially anticipated. The country expects a crop of about 100 million ton in 2015. Russia is one of the main exporters to North Africa and the Middle East.
- The news of a better than anticipated Russian crop coupled with reports of good weather prospects over the US wheat crop added pressure to the already falling international wheat prices.
- The Chicago wheat future price for delivery in July 2015 settled at US\$ 179.68/MT by end of day on 9th March 2015.
- Local wheat offer prices were averaging US\$523/ton in the week ending 5th March 2015.



Source: ZNFU Price Information System

Price trends

The Safex international soft red and hard red wheat averaged US\$213/ton and US\$232/ton respectively in the week ending 5th March 2015. In comparison to the previous week ending 27th February, 2015 soft red recorded a price decline of 2.3% while hard red prices increased marginally by 0.86% percent on average.



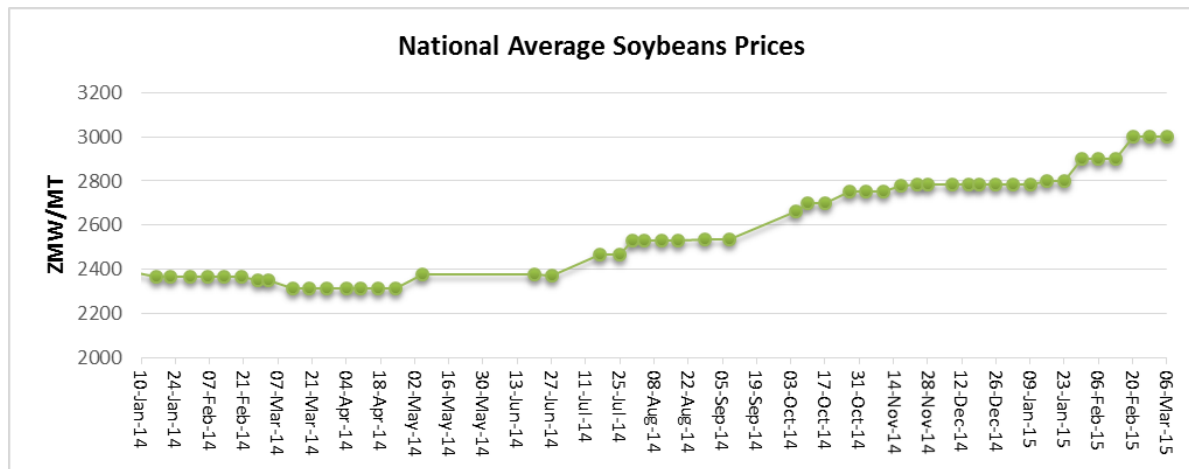
source: Safex

Soya Beans

Highlights

- Concerns over the Brazilian truckers strike seem to have eased of last week as soya beans prices started to drop again. Indications are that Brazil’s soya beans sells are slower than last year’s with only 30 percent of the harvested crop having been sold by last week. Harvesting is still in progress and the country’s storage capacity is being put to a test.
- Meanwhile palm oil production in Central and South America increased by 5 percent in 2014 to 2.73 million tons according to oil world. Exports rose by 11 percent.

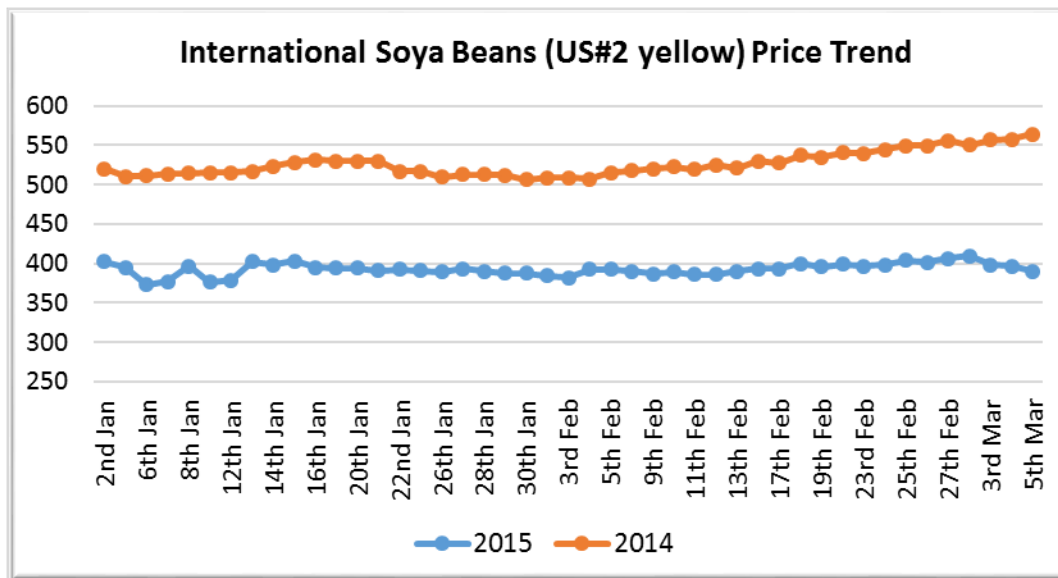
- Soya beans for July 2015 delivery on Chicago Mercantile Exchange ease slightly to trade at US\$365.60/ton on 9th March 2015.
- Local soya beans offer prices by traders were still averaging ZMK3000/ton in the week ending 9th March 2015.



Source: ZNFU Price Information System

Price trends

International prices of US No. 2 yellow soya beans on Safex during the week ending 5th March 2015 averaged US\$399, 0.25% below the previous week's average price of US\$400/MT on 27th February 2015. All prices are fob gulf.



Source: Safex

Maize

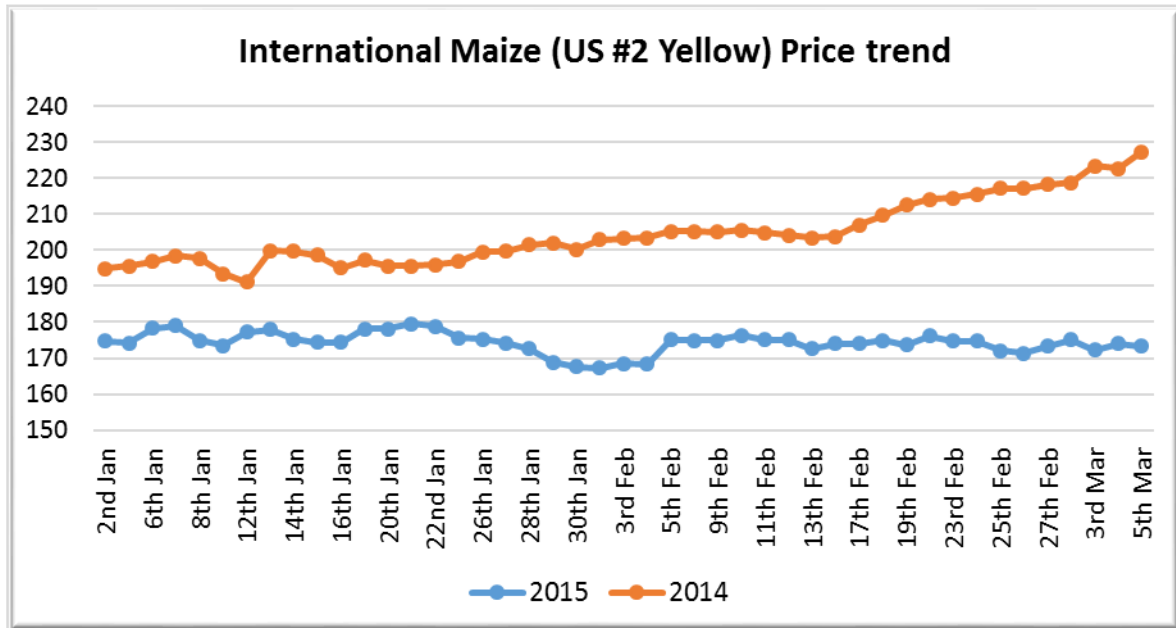
Highlights

- The Chinese grain stockpiling programme is expected to rise by 33 percent in 2015. According to the Chinese Finance Ministry, the country will spend over 24 billion US dollars stockpiling grains, edible oils and other materials.

- The Chicago maize future price for delivery in July 2015 was posted at US\$ 155.50/MT on 9th March 2015.
- Local maize offer prices has continued to average ZMK1, 450/ton on the ZNFU market price information system in the week ending 9th March 2015.

Price trends

During the week ending 5th March 2015, international fob prices as recorded by Safex remained unchanged at US\$173/ton in comparison to the previous week ending 27th February 2015.



Source: Safex

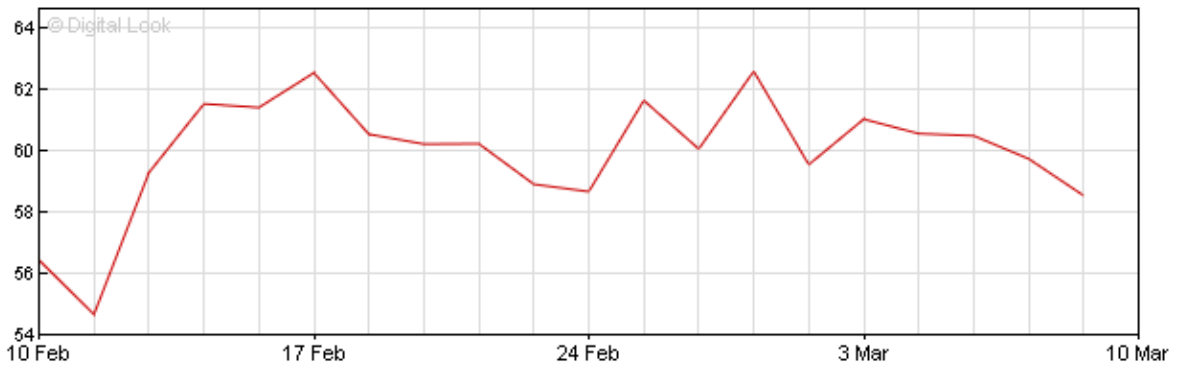
Cotton

Highlights

- The international Cotton Advisory Council (ICAC) has projected that world ending stocks, outside China, will increase for the second consecutive season from 7.9 to 9.5 million tons in the 2014/15 year. This will be the largest stock in 35 years and is 60% of the expected mill use during the same period.
- Meanwhile Chinese production has been projected lower by about 7 percent in the 2014/15 year with the country's consumption also expected to fall. ICAC has further projected a drop in the 2015/16 global production due to a supply glut.

Crude oil

Brent crude oil price declined to US\$57.04/barrel during the week ending 9th March 2015 as reported in the graph below.

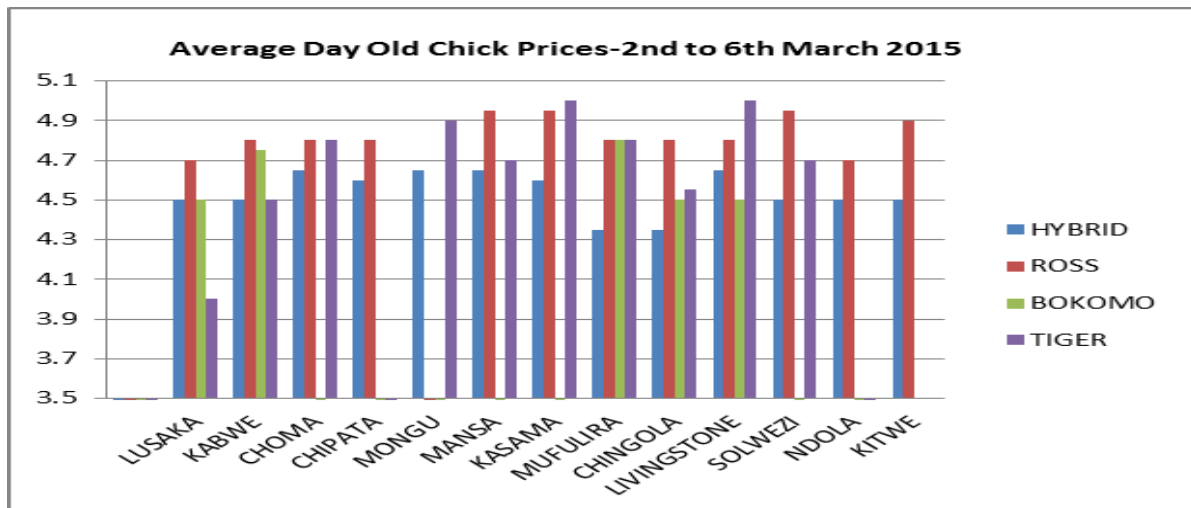


Source: BBC Business, 2015

DOMESTIC POULTRY PRICES

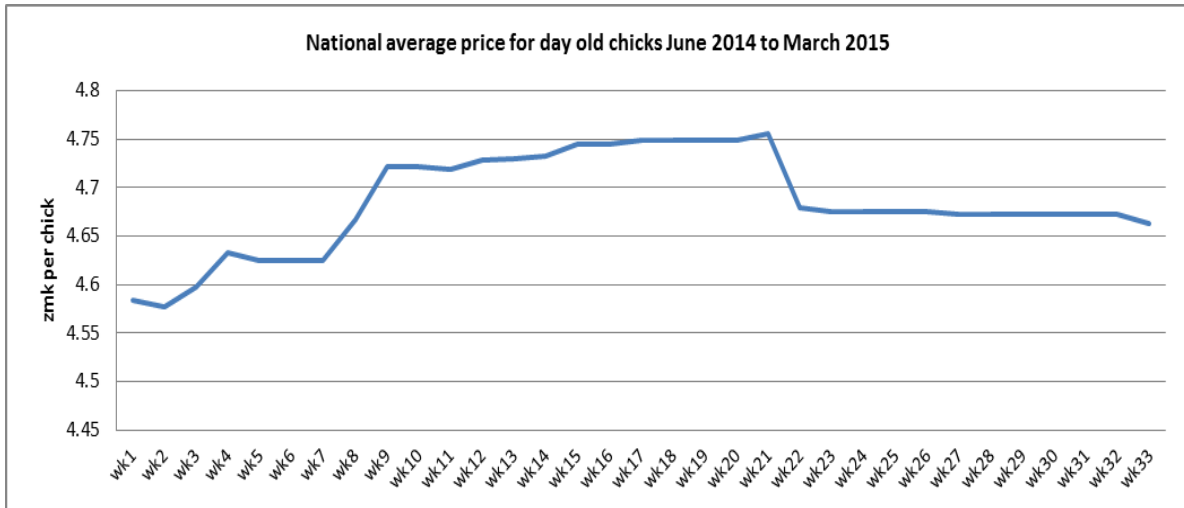
AVERAGE DAY OLD CHICK PRICES

The graph below shows the price of different brands of day old chicks in selected towns. The graph shows that the lowest price for day old chicks in the country is ZMW4 while the highest price is ZMW4.95 in Kasama.



Source: Poultry Association of Zambia

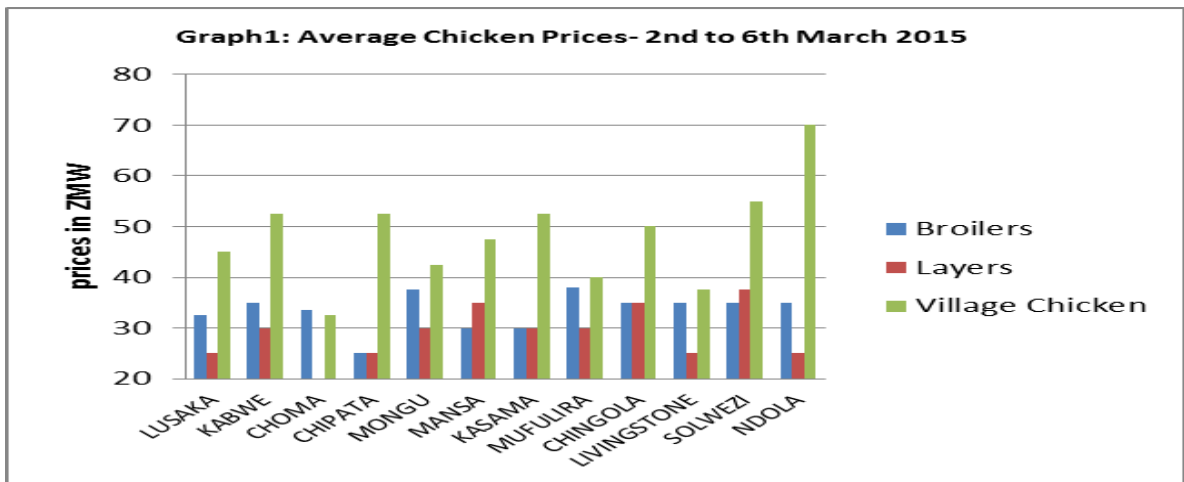
The graph below shows the national average price trends for day old chicks for the past eight months from June 2014 to March 2015. The graph further shows that the price of day old chicks has declined in week 33 to an average of ZMW4.66.



Source: Poultry Association of Zambia

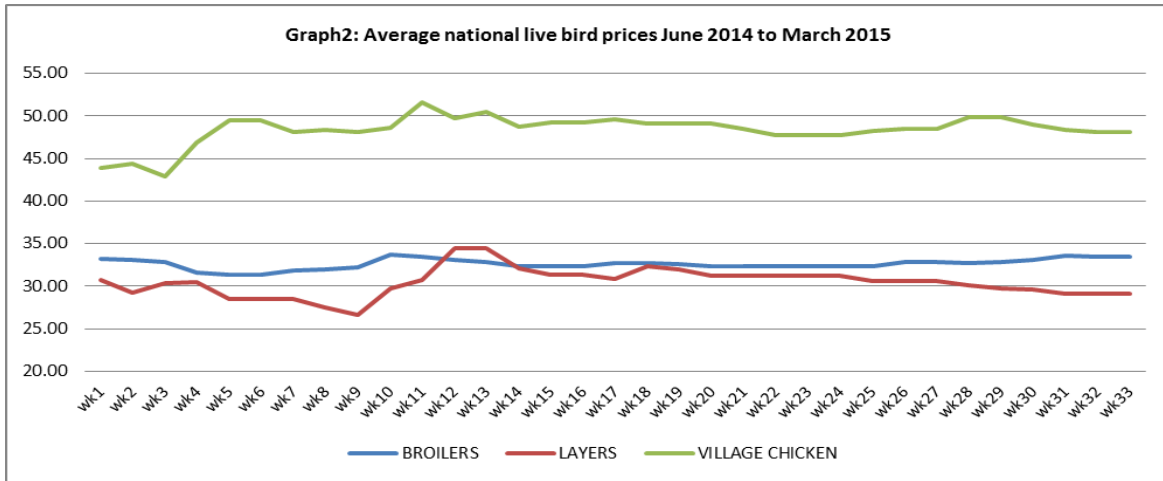
AVERAGE LIVE BIRDS PRICES

Graph1 below shows the average live bird prices in Lusaka, Choma, Kabwe, Chipata, Mongu Mansa, Mufulira, Chingola, Solwezi, Ndola, Kitwe and Livingstone. Compared to last week, the price of all live birds in towns displayed has been very stable with no notable changes registered.



Source: Poultry Association of Zambia

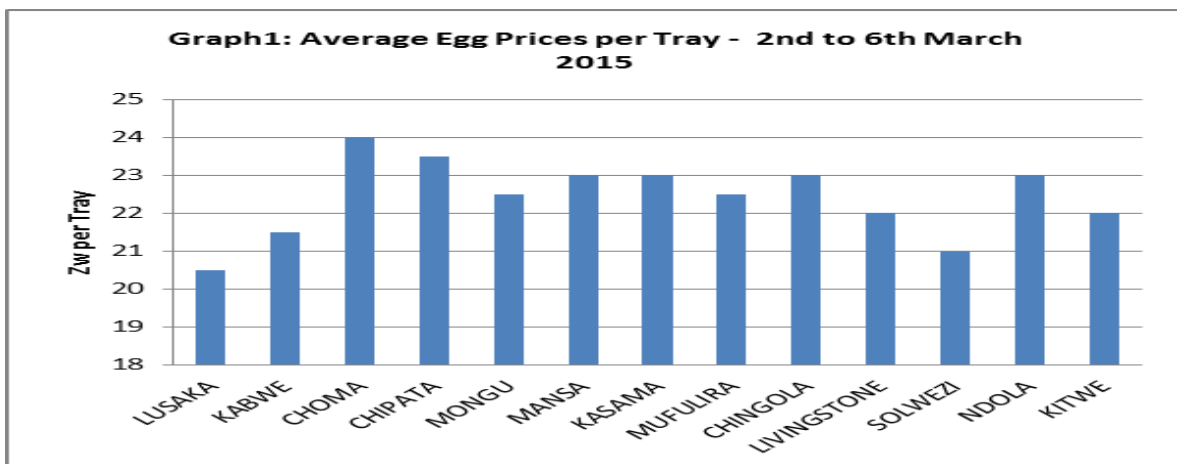
Graph 2 below shows the national average price trends for broilers, ex-layers and village chickens. Compared to the period between week 10 and week 14, the price of village chicken and layers has declined while the price of broiler chickens is at almost the same average price that was reported in week 10. The national average price of village chickens in week 33 was ZMW48.13 compared to national average of ZMW51.55 in week11. The price of ex-layers declined from ZMW34.44 in week 12 to ZMW29.13 in week 33. This is equivalent to a 15% decline in prices. At ZMW33.46 in week 33, the price of broilers is very close to ZMW33.50 recorded in week 11.



Source: Poultry Association of Zambia

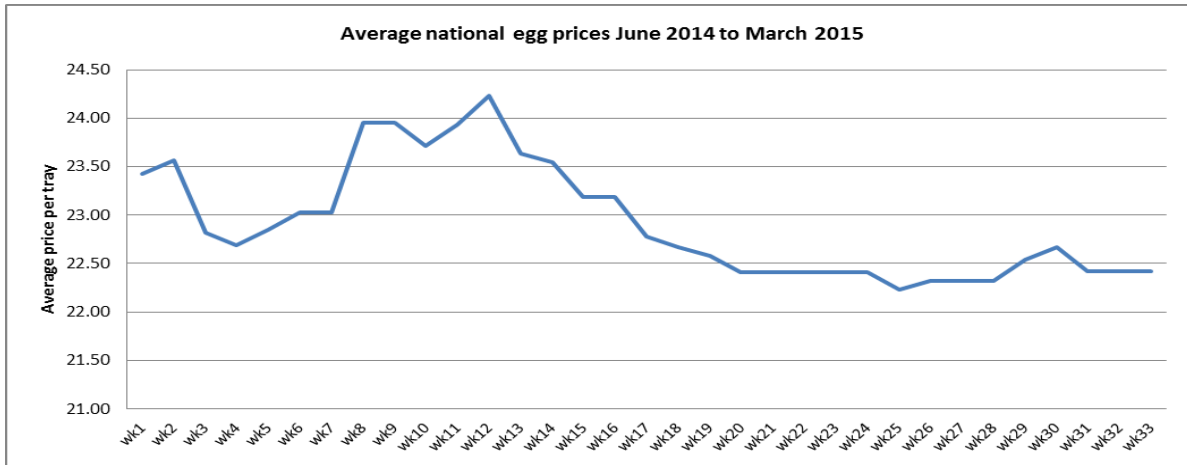
AVERAGE EGG PRICES

Graph1 below shows average retail prices of table eggs in selected provincial centres around the country. There have been no significant changes in the price of eggs during the course of the week. Choma is still posting the highest price at ZMW24 and Lusaka posting lowest price at ZMW20.5.



Source: Poultry Association of Zambia

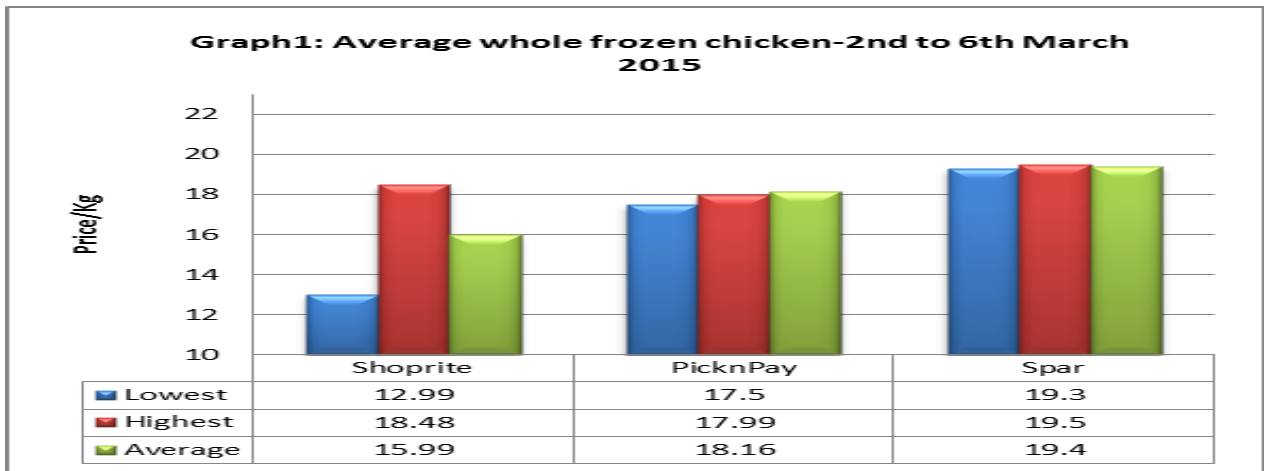
The graph below shows the price trend for eggs over a period of eight months from mid-June 2014 to March 2015. The graph shows that the national average price of eggs has been static at ZMW22.42 for a period of three weeks from week31 to week 33.



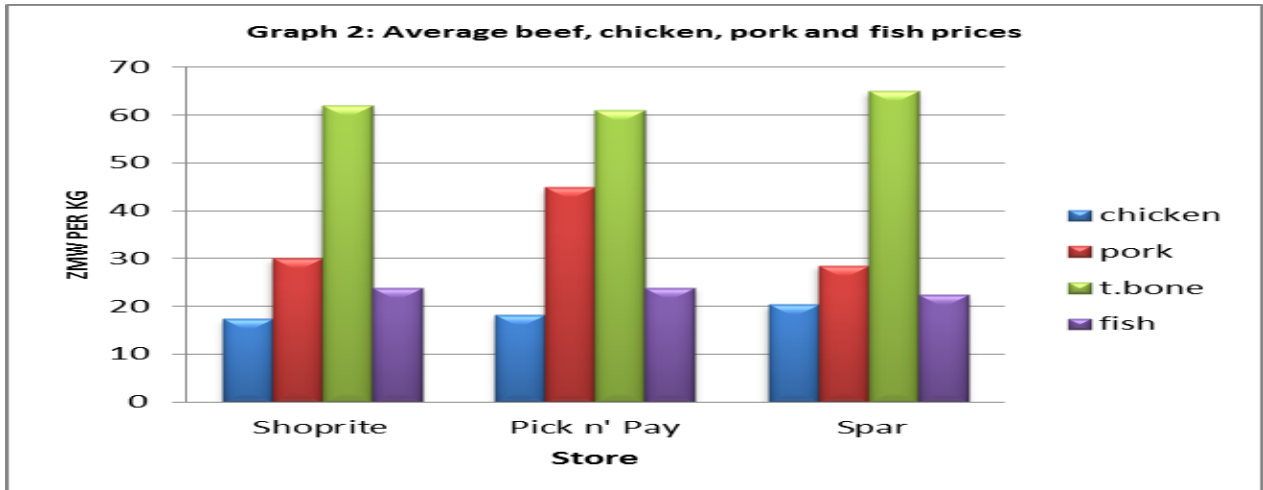
Source: Poultry Association of Zambia

AVERAGE WHOLE DRESSED CHICKEN PRICES

Graph1 below shows average prices of whole frozen chickens in the three chain stores around in Lusaka. The graph shows that Shoprite has the lowest average price at ZMW15.99 with the lowest going for ZMW12.99 and the highest going for ZMW18.48. The average price for frozen whole chicken in Pick n’ Pay is ZMW20.35 with the lowest and highest going for ZMW17.50 and ZMW17.99 respectively. The average price for frozen whole chickens in Spar is ZMW19.40 with the lowest and highest price of frozen whole chicken going for ZMW19.30 and ZMW19.50 respectively.



Graph 2 below shows the average prices for beef, chicken and Pork products in the three chain stores in lusaka. The graph shows that chicken is the cheapest protein in all the three stores followed by fish, pork and t.bone.



Source: Poultry Association of Zambia

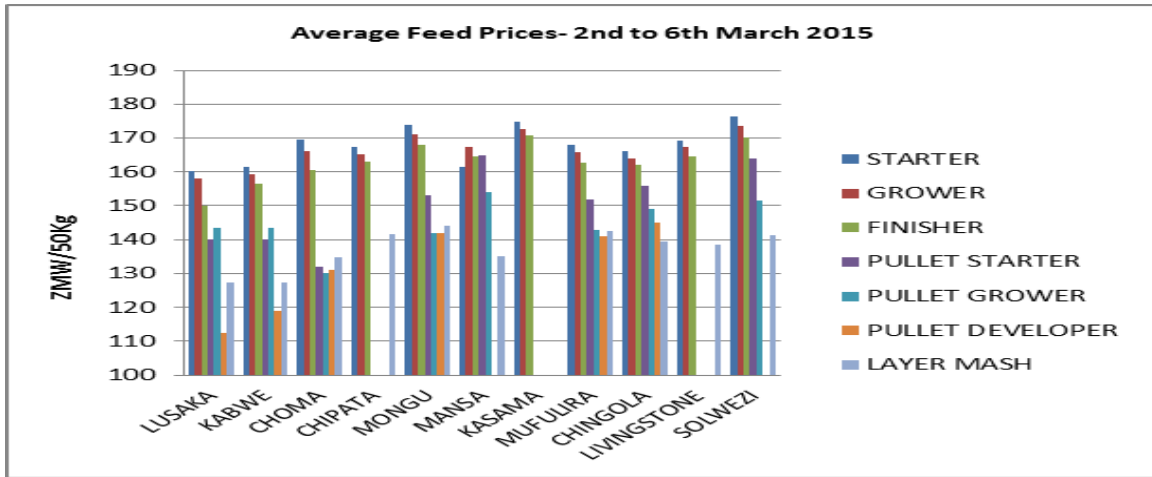
Graph3 shows the average price trend for whole frozen dressed chicken in Lusaka from June 2014 – March 2015. The graph shows that the average price of whole dressed frozen chicken has declined from ZMW18.62 in week 32 to ZMW17.85 in week 33.



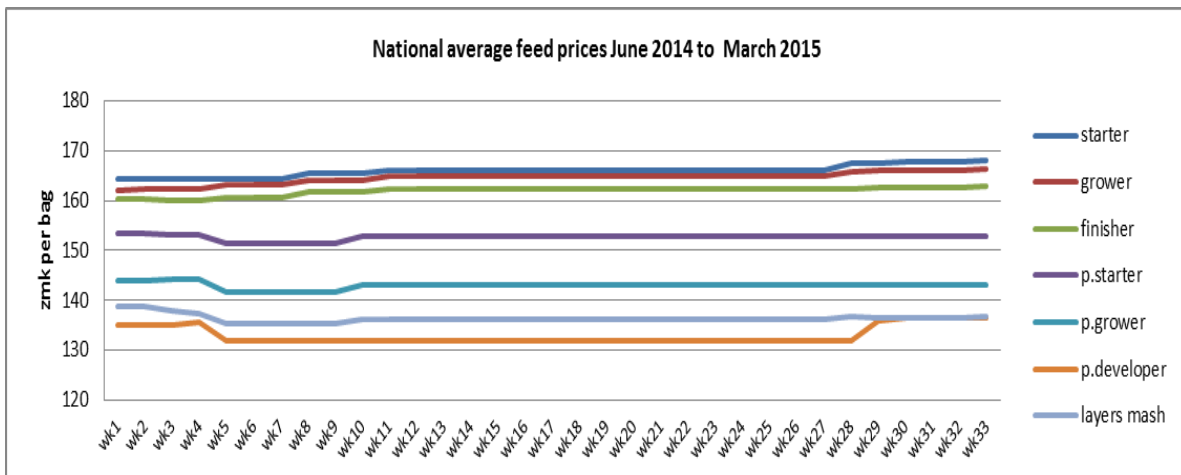
Source: Poultry Association of Zambia

AVERAGE FEED PRICES

The graph below shows 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, Mongu and Solwezi. The graph further shows that pullet feeds are generally lower than broiler feeds.



The graph below shows the national average price trend of feed prices for a period of eight months from June 2014 to March 2015. The graph shows a slight increase in the national average price of broiler starter, broiler grower, broiler finisher, and layers mash in week 33.



Source: Poultry Association of Zambia