



THE WEEKLY AGRO WATCH



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7th April, 2015 Vol.13

Industry Updates

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

Global Food Prices fall by over 18 percent in March

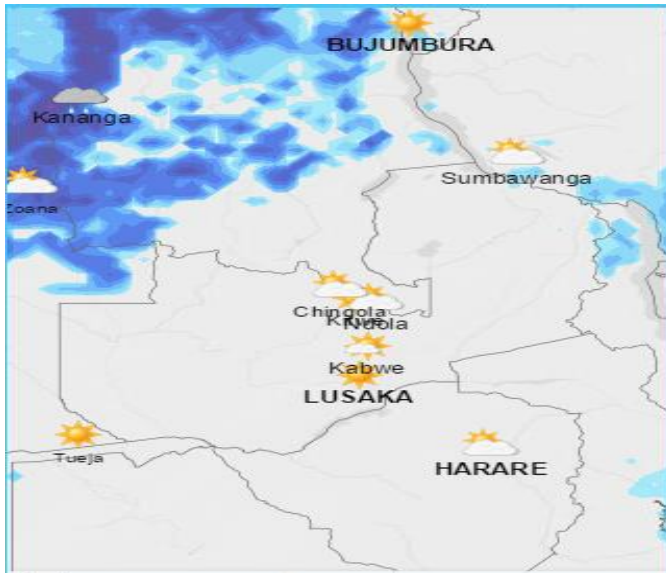
The FAO Food Price Index averaged 173.8 points in March 2015, nearly 18.7 percent below its March 2014 level. According to FAO, Sugar prices dipped particularly strongly in March, with more modest declines recorded by vegetable oils, cereals and meat. Dairy prices on the other hand rose for the second consecutive months, in contrast to the declining trends of other commodities. Brazil's improved crop prospects coupled with the depreciation of the Brazilian Real against the U.S dollar have been the major stimulants to the drop in international sugar prices to the lowest levels since February 2009.

Exchange Rates

CURRENCY	07/04/2015						30/03/2015					
	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	7.64	0.64	0.65	11.16	11.39	7.49	7.65	0.63	0.64	11.12	11.34
Standard Chartered Bank	7.51	7.66	0.64	0.65	11.19	11.42	7.52	7.67	0.63	0.64	11.17	11.39
ZANACO	7.50	7.64	0.63	0.65	11.12	11.40	7.49	7.63	0.62	0.63	11.06	11.35
Bank of Zambia	7.56	7.58	0.631	0.633	11.197	11.23	7.58	7.60	0.631	0.633	11.29	11.32

Weather Forecast

The table summarizes the weather forecast for some selected towns for the period 8th – 14th April 2015.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Heavy rains forecast for the 8th, light showers on the 9th and normal rains on the 14th. The rest of the week is expected to be fairly cloudy. ➤ Average daily Temps: 17-24^oC
Mkushi	<ul style="list-style-type: none"> ➤ Partly cloudy to clear sunny skies forecast for the whole week save for the 14th when a heavy downpour is anticipated. ➤ Average daily Temps: 15-25^oC
Kabwe	<ul style="list-style-type: none"> ➤ Showers forecast for the 8th & 14th with the rest of the week being partly cloudy to clear sunny skies with chances of showers. ➤ Average daily Temps: 16-25^oC
Lusaka	<ul style="list-style-type: none"> ➤ Sunny to partly cloudy skies forecast throughout the week. ➤ Average daily Temps: 14-24^oC
Mazabuka	<ul style="list-style-type: none"> ➤ Sunny to partly cloudy skies forecast throughout the week. ➤ Average daily Temps: 17-26^oC.
Choma	<ul style="list-style-type: none"> ➤ Normal rains forecast for the 8th & 13th and light showers on the 9th & 14th. The rest of the week is expected to be fairly cloudy.

	<ul style="list-style-type: none"> ➤ Average daily Temps: 14-21^oC
Livingstone	<ul style="list-style-type: none"> ➤ The 8th & 9th will be partly cloudy to cloudy with the rest of the week being fairly cloudy to sunny save for the 13th & 14th when normal rains are forecast. ➤ Average daily Temps: 17-24^oC
Mongu	<ul style="list-style-type: none"> ➤ Normal rains forecast for the 8th & 13th with rain showers on 14th. Partly cloudy to sunny skies are expected the rest of the week. ➤ Average daily Temps: 19-28^oC.
Mansa	<ul style="list-style-type: none"> ➤ Rain showers forecast for the 8th, 9th & 14th with the rest of the week being partly cloudy to sunny. ➤ Average daily Temps: 18-24^oC.
Kasama	<ul style="list-style-type: none"> ➤ Heavy rains forecast for the 8th and normal rains on the 13th & 14th. The rest of the week is expected to be partly cloudy to cloudy with chances of rain showers. ➤ Average daily Temps: 16-24^oC.
Solwezi	<ul style="list-style-type: none"> ➤ Heavy rains forecast for the 8th with normal rains on the 9th & 14th and partly cloudy to sunny skies forecast for the rest of the week with chances of light showers. ➤ Average daily Temps: 16-25^oC.
Chipata	<ul style="list-style-type: none"> ➤ Light showers forecast for the 8th with the rest of the week being partly cloudy to sunny with chances of rain showers. ➤ Average daily Temps: 17-26^oC.

Source: Norway meteorological Institut

Parity Prices

Import Parity Prices

The following import parity prices were compiled by ZNFU as at 7th April, 2015.

Domestic Import Parity Prices as at 07/04/2015					
US\$/ZAR=12.00 US\$/ZMK=7.64					
Parity Prices		U\$/ZMK	Maize	Soya	Wheat
Lusaka		7.64	435.35	602.49	486.21
Town	Ex-Lusaka freight (ZMK)	\$	\$	\$	\$
Chipata	275	35.99	471.34	638.48	522.20
Mkushi	225	29.45	464.80	631.94	515.66
Ndola	250	32.72	468.07	635.21	518.93
Kitwe	250	32.72	468.07	635.21	518.93

Export Parity Prices (Harare Lusaka)

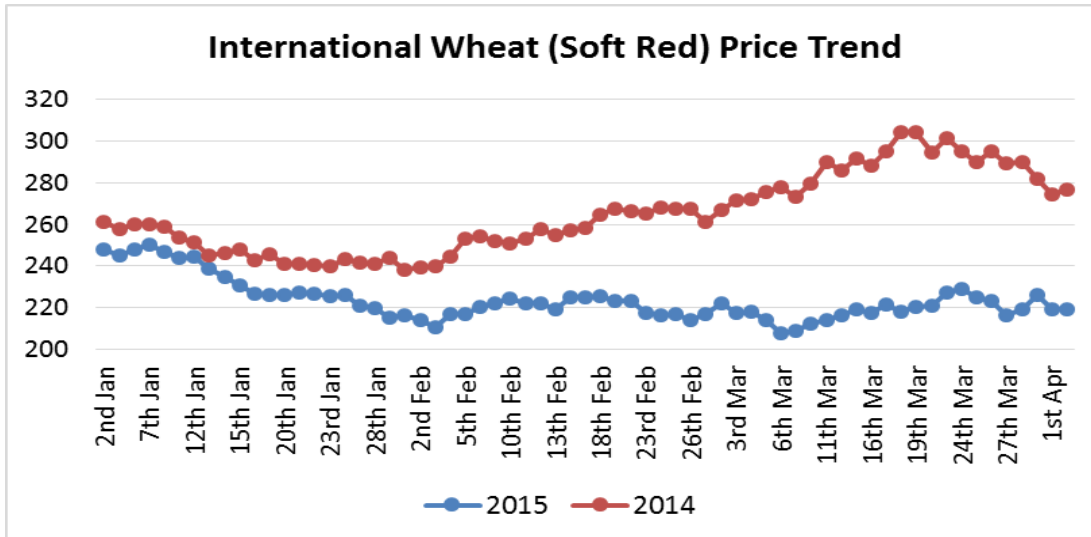
Export Parity Price (EPP) Harare-Lusaka as at 30/03/15	
Soya Beans	476.25
Wheat	359.25
Maize	249.56

Note: Export parity prices are based on average private trader prices in Zimbabwe and don't include Zimbabwe's Grain Marketing Board Prices.

Wheat

Highlights

- By end of March, The European Union had cumulative granted licences for the export of 25.5 million tons of wheat from the 2013/14 crop, up by 2.5 million tons above the previous season's exports on a year-on-year comparison. According to HGVA, this is the third largest volume on record.
- Wheat imports from South Africa into Zambia have continued with SAGIS recording an export of 1,565 in the week ending 27th March 2015. This gives a cumulative total of 8,712 metric tons of wheat
- The Chicago soft red wheat future price for delivery in May 2015 settled at US\$ 190.33/MT on 7th April 2015.
- Wheat offer prices on the local market have continued to tumble and reached an average of US\$455/MT on the ZNFU price information system for the week ending 3rd April ,2015

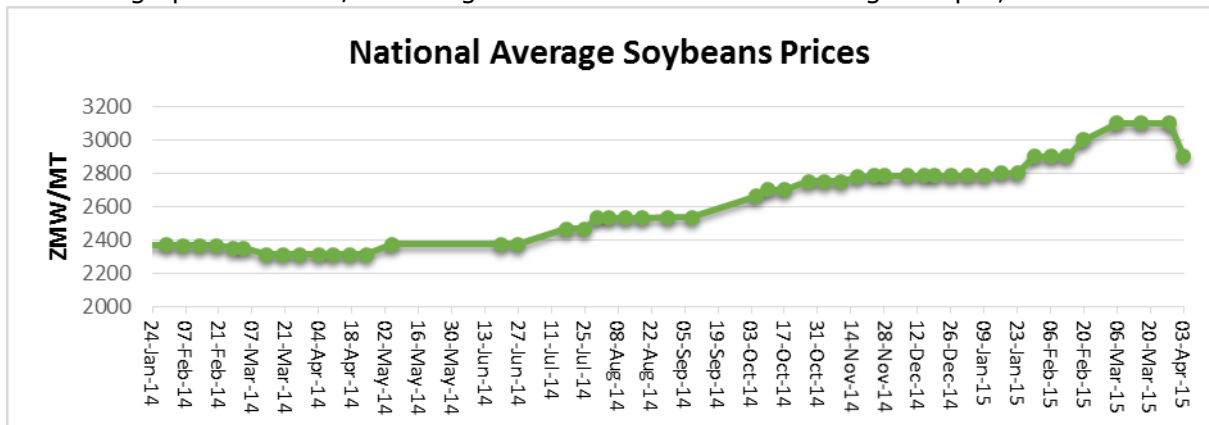


Source: Safex

Soya Beans

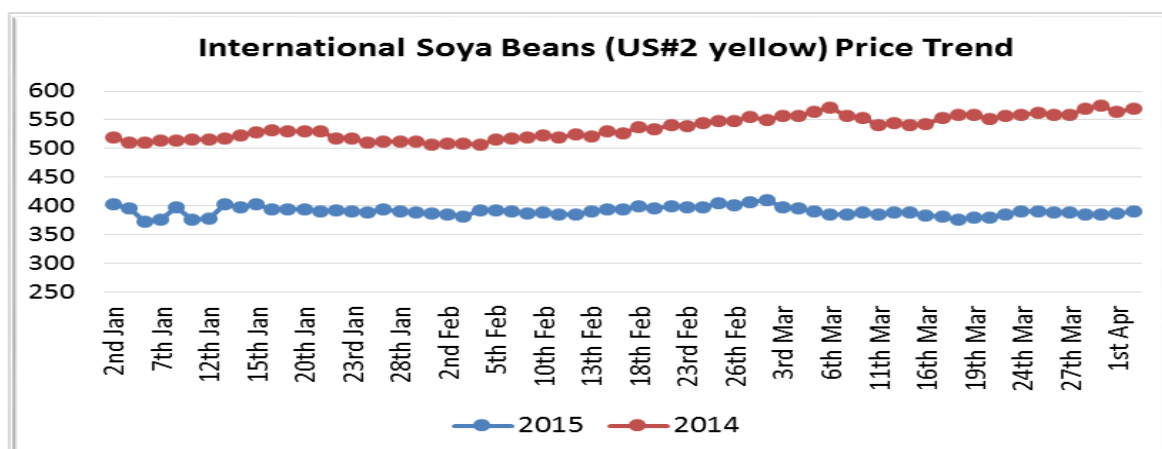
Highlights

- Brazilian soybean production will fall next season for the first time in nearly a decade, with the USDA issuing a downbeat estimate for this year's harvest too. Brazil's soybean plantings is expected to drop in the 2015-16 by 300,000 hectares to 31.1m hectares, due to the relative low global soybean prices, the economic challenges expected in Brazil, and higher interest rates according the US Department of Agriculture bureau in Brasilia.
- Meanwhile Indonesia, the world's biggest palm oil producer, will impose export levies to fund biodiesel subsidies as well as replanting, research and development. Thus, Shippers will pay a levy of \$50 a metric ton for palm oil and \$30 for processed products starting this month according to Indonesian authorities
- Soya beans for May 2015 delivery on Chicago Mercantile Exchange were around US\$356.78/ton on 7th April 2015
- As the new crop marketing season approaches, soybeans offer prices as captured the ZNFU 445 price information system have been dropping steadily with an average price of K2.9/KG being recorded for the week ending 3rd April, 2015



Price trends

International prices of US No. 2 yellow soya beans on Safex during the week ending 2nd April 2015 averaged US\$386.95. All prices are fob gulf.



Source: Safex

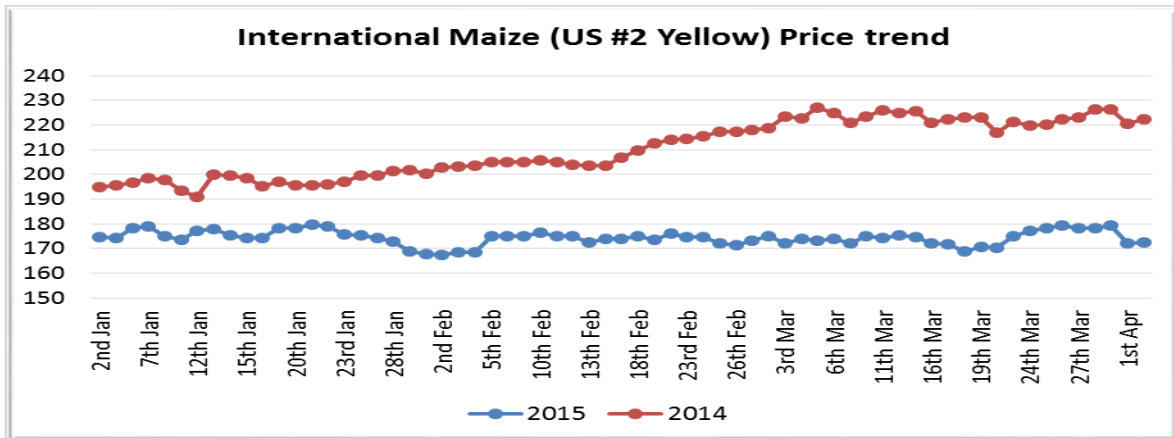
Maize

Highlights

- Malawi Confederation of Chambers of Commerce and Industry (MCCCI) has urged the Malawian government to immediately start looking where it would source maize to cushion Malawians from the possible hunger. This follows a recent assessment on Crop Estimates done by Civil Society Agriculture Network (CISANET) that shows a drop in maize production of 35 to 40 percent. The country produced about 3.9 million tons of maize last year.
- The Chicago maize futures price for delivery in July 2015 was pegged at US\$ 153.53/MT on 7th April 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 2nd April 2015, international fob prices as recorded by Safex averaged US\$172.47/ton.



Source: Safex

Cotton

Highlights

- The Chinese National Development and Revolution Commission (NDRC) announced a 2015 cotton target price for Xinjiang in 2015 of 19,100 per tonne (approx. US\$3.09/Kg).
- Cotton prices for May delivery were pegged at US\$0.6534/pound (\approx US\$1.44/kg) on 30th March 2015, while Cotlook "A" index prices were pegged at US\$0.72155/pound (\approx US\$1.59/kg) on the same day.

Crude oil

- Market expectations of Iranian oil flooding the markets with the initial agreement to curb Iran's nuclear programme seems to have subsided causing prices to start April on a rising note.
- Meanwhile Saudi Arabia raised its crude oil prices target for the Asian market by about 30 cents/ barrel. This is the second consecutive month that Saudi Arabia is raising prices of its largest market.
- Brent prices settled at US\$57.47/barrel by 16:00hrs CAT on 7th April 2015 while WTI was pegged at US\$51.67/barrel.
- Oman's settlement price for June delivery rose to around US\$57/barrel early morning on 7th April 2015. Crude oil prices are expected to be trading higher in the second half of 2015.

Brent Crude Oil Futures \$/barrel



Source: BBC Business, 2015

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16 – 18 April 2015
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