



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

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Industry Updates

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

EU milk quotas scrapped

EU milk production quotas have been abolished after more than three decades of efforts to prevent overproduction. The Irish Republic, the Netherlands and Germany are all expected to increase production sharply. This will lead to increased milk supply on the international market and reduced farm gate prices for EU countries.

The ending of quotas is both a challenge and an opportunity for the EU. It is a challenge because EU dairy farmers will have to live under completely new circumstances and volatility will surely accompany them along the road as production increases and farm gate prices fall. But certainly it is an opportunity in terms of growth and jobs in the EU. For Africa in general and Zambia in particular this implies that there will be a huge milk pool flowing our way which if not controlled could lead to thwarting of our infant dairy industry and subsequent

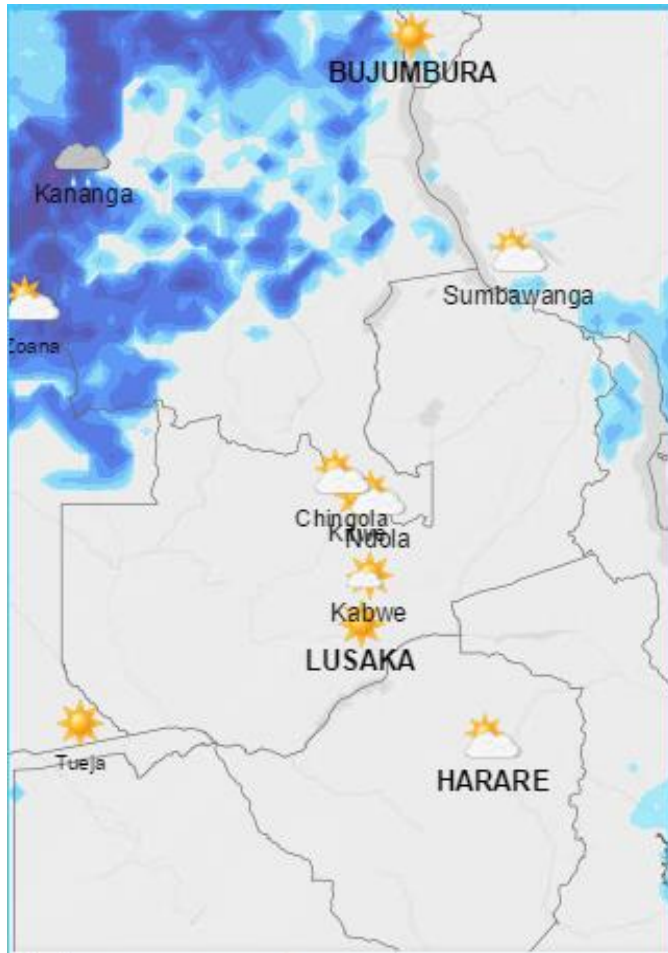
stagnation and job losses within the dairy subsector. The small-scale farmers, who are at the receiving end of the global milk price slumps, would be the worst hit by any milk dumping into Zambia. Prices of dairy products on the international market have already started falling. For instance a tone of powdered milk is currently costing U\$ 2900 from U\$ 3175 early March this year.

Exchange Rates

CURRENCY	13/04/2015						07/04/2015					
	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)	7.21	7.35	0.60	0.61	10.52	10.73	7.49	7.64	0.64	0.65	11.16	11.39
Standard Chartered Bank	7.14	7.28	0.595	0.607	10.42	10.63	7.51	7.66	0.64	0.65	11.19	11.42
ZANACO	7.14	7.28	0.59	0.60			7.50	7.64	0.63	0.65	11.12	11.40
Bank of Zambia	7.30	7.32	0.608	0.610	10.72	10.75	7.56	7.58	0.631	0.633	11.197	11.23

Weather Forecast

The table summarizes the weather forecast for some selected towns for the period 14th – 20th April 2015.

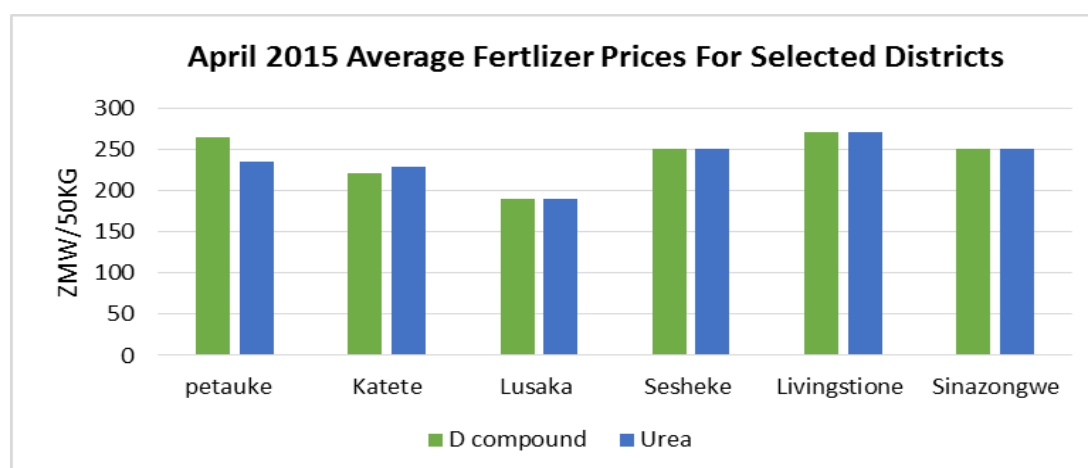


TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Normal rains forecast for the 13th & 16th – 18th. Heavy rains anticipated for the 14th, 15th & 19th with light showers on the 20th. ➤ Average daily Temps: 17-22°C
Mkushi	<ul style="list-style-type: none"> ➤ Normal rains forecast for the 14th & 15th with heavy rains the rest of the week save for the 20th when it will be cloudy with very light showers. ➤ Average daily Temps: 17-23°C
Kabwe	<ul style="list-style-type: none"> ➤ Heavy rains forecast for the 14th and normal rains the rest of the week save for the 17th & 20th when showers are expected. ➤ Average daily Temps: 16-24°C

Lusaka	<ul style="list-style-type: none"> ➤ Heavy rains forecast for the 15th & 16th with normal rains the rest of the week save for the 20th when it will be partly cloudy with light showers. ➤ Average daily Temps: 16-22°C
Mazabuka	<ul style="list-style-type: none"> ➤ Normal rains forecast throughout the week save for the 17th & 18th when showers are expected. ➤ Average daily Temps: 18-25°C.
Choma	<ul style="list-style-type: none"> ➤ The 15th & 16th are expected to be partly cloudy with normal rains forecast the rest of the week. ➤ Average daily Temps: 14-23°C
Livingstone	<ul style="list-style-type: none"> ➤ Normal rains forecast for the 14th, cloudy skies on 19th and heavy rains on 20th. The rest of the week is expected to be sunny to partly cloudy. ➤ Average daily Temps: 16-27°C
Mongu	<ul style="list-style-type: none"> ➤ The 15th & 16th are expected to be fairly cloudy with normal rains forecast the rest of the week save for the 19th when light showers are anticipated. ➤ Average daily Temps: 17-28°C.
Mansa	<ul style="list-style-type: none"> ➤ Heavy rains forecast for the 15th, 16th & 19th with the rest of the week experiencing normal rains. ➤ Average daily Temps: 18-24°C.
Kasama	<ul style="list-style-type: none"> ➤ Normal rains forecast for the 14th with rain showers on the 19th & 20th. Heavy rains anticipated the rest of the week. ➤ Average daily Temps: 15-24°C.
Solwezi	<ul style="list-style-type: none"> ➤ Normal rains forecast for the 15th, 17th & 20th with heavy rains the rest of the week. ➤ Average daily Temps: 16-23°C.
Chipata	<ul style="list-style-type: none"> ➤ Heavy rains forecast for the 16th & 17th and normal rains the rest of the week. ➤ Average daily Temps: 16-25°C.

Source: Norway meteorological Institute

Local Commodity Price Trends



April 2015 Mealie Meal Prices

As can be seen in the table below, declines in mealie meal prices were observed in some selected districts. Breakfast and roller meal prices in Solwezi reduced by K5 respectively to reach an average of K68 and K51 in April 2015. In Kawambwa, April breakfast and roller meal prices reduced by K6 and K3 kwacha respectively from prices recorded in March. Lusaka breakfast and roller Mealie prices registered a K5 and K3 decline respectively from the prices recorded in March.

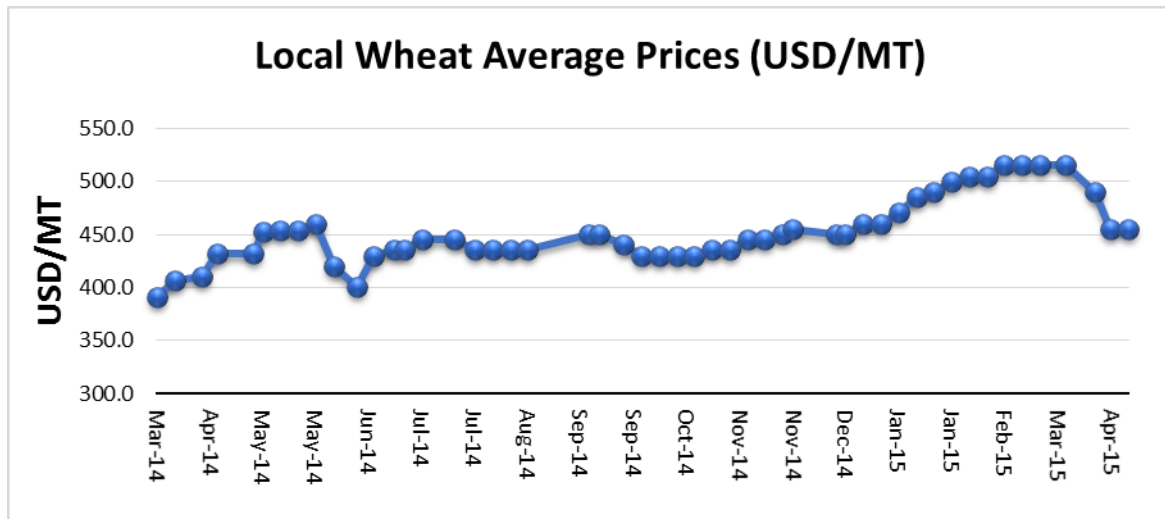
District	March 2015		April 2015		ZMK Price Change in Breakfast meal prices	ZMK Price Change in Breakfast meal prices)
	Breakfast Mealie meal(25kg)	Roller Mealie meal (25 kg)	Breakfast Mealie meal	Roller Mealie meal		
Petauke	68	47	65	45	-3	-2
Lusaka	68	48	63	45	-5	-3
Livingstone	67	54	61.3	43	-5.7	-11
Solwezi	73	56	68	51	-5	-5
Kawambwa	75	65	69	62	-6	-3

Wheat

Highlights

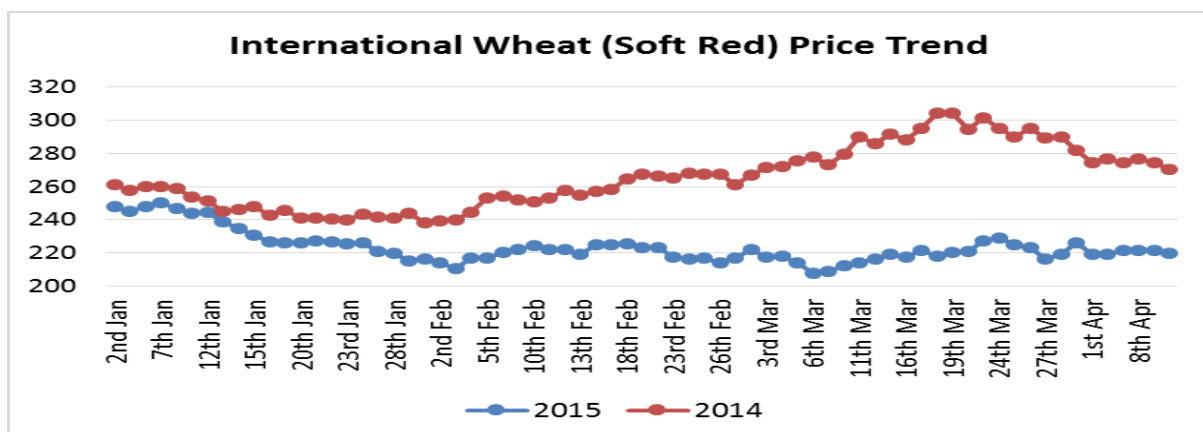
- The U.S wheat exports are forecast down 21 percent in the 2014/15 season by its government to a 12 year low. The U.S lost its position as the largest wheat exporter to Europe last year.
- By 3rd April 2015, South Africa's wheat exports destined for Zambia had amounted to 10,559 metric tons.

- The Chicago soft red wheat future price for delivery in May 2015 settled at US\$ 202.67/MT on 13th April 2015.
- Local wheat offer prices were averaging US\$455/ton in the week ending 10th April 2015



Price trends

The Safex international soft red and hard red wheat averaged US\$236.08/ton and US\$221.22/ton respectively in the week ending 10th April 2015. In comparison to the previous week, soft red recorded a price increment of 0.10% and while hard red prices fell by 0.43 percent on average.



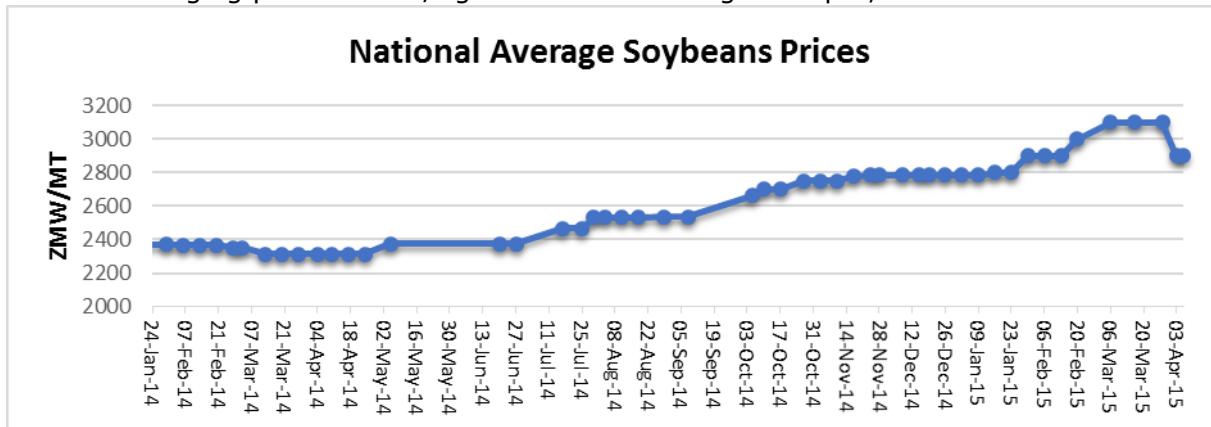
Source: Safex

Soya Beans

Highlights

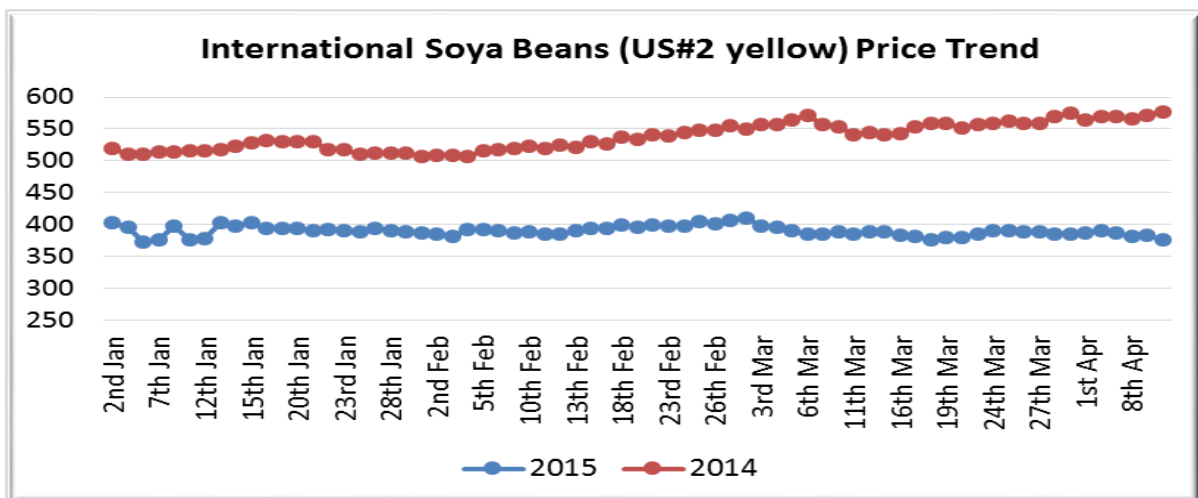
- India's 2014/14 soya meal exports have been lowered by about 10 percent to 6 million tons on account of a lower exportable surplus according to USDA projections. Besides Zambia, India is an alternative source of soya meal for Zimbabwe when local supply cannot meet its demand.

- Meanwhile global soya beans ending stocks have been projected higher at 89.55 million tons for the 2014/15 season.
- Soya beans for May 2015 delivery on Chicago Mercantile Exchange were around US\$349.43/ton on 13th April 2015
- Soybeans offer prices as captured the ZNFU 4455 price information system were still averaging price of K2.9/Kg in the week ending 10th April, 2015



Price trends

International prices of US No. 2 yellow soya beans on Safex during the week ending 10th April 2015 averaged US\$381.85/ton. All prices are fob gulf.



Source: Safex

Maize

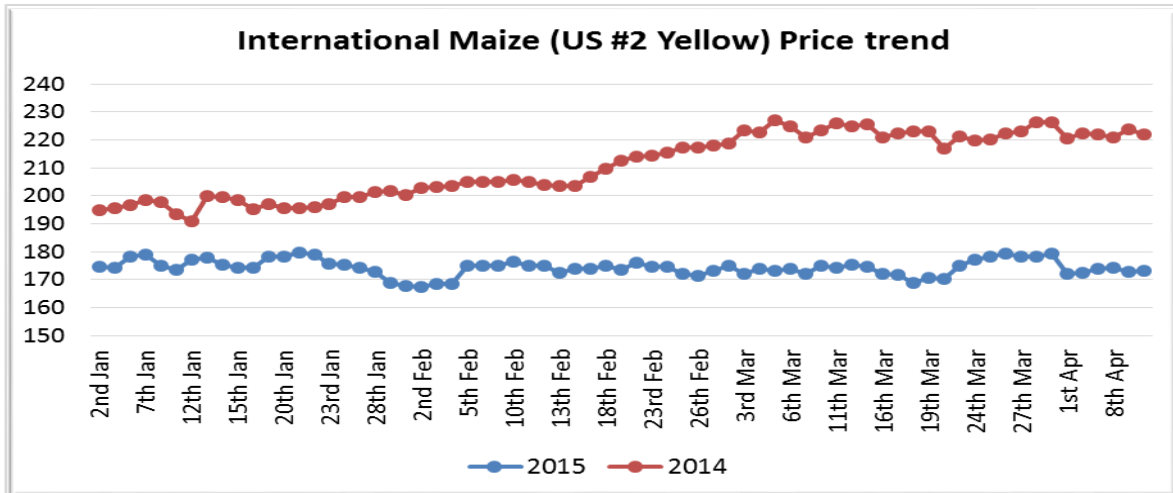
Highlights

- After a break of one year from maize imports, South Africa recorded a total of 21,137 yellow maize imports from Argentina in the week ending 3rd April 2015. According to South Africa's National Agricultural Marketing Council, South Africa is expected to import a total of 550,000MT of maize in the 2015/16 marketing season.

- Meanwhile, the USDA projected a 0.23 percent in the global maize output in the 2014/15 production year to 991.92 million tons. Increments in international prices are therefore expected to be suppressed for the 2014/15 crop. Southern African prices are however likely to rise due to the natural calamities experienced in major producing countries.
- The Chicago maize futures price for delivery in May 2015 was pegged at US\$ 147.08/MT on 13th April 2015.
- Local maize offer prices in Lusaka are around ZMk1300/ton and reduce with increasing distance from the line of rail.

Price trends

During the week ending 10th April 2015, international maize fob prices as recorded by Safex averaged US\$173.53/ton.



Source: Safex

Cotton

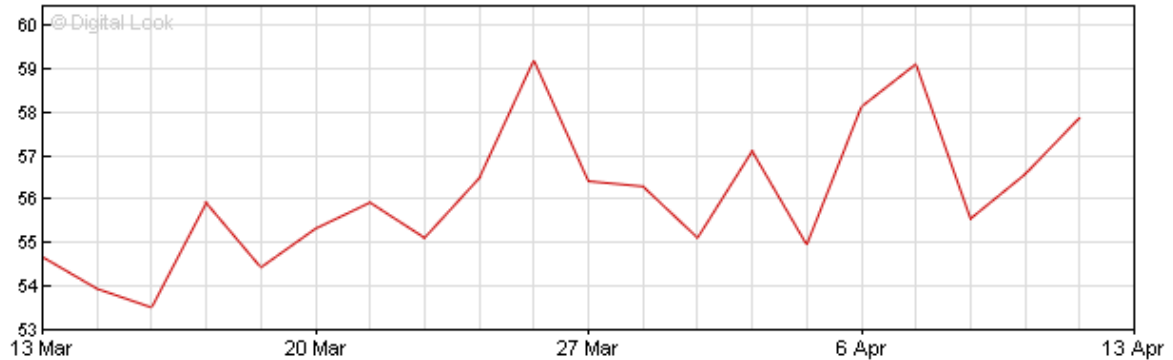
Highlights

- China is expecting its cotton output to fall from 6.46 million tons in the 2014/15 season to 5.77 million tons in the 2015/16 season according to the Beijing Cotton Outlook. China and India are the world's largest producers and consumers of cotton. A major change in their production levels would therefore impact international prices of the commodity.
- Meanwhile the USDA has forecast 1 percent drop in the global production of cotton in the 2014/15 season to 25.959 million tons mainly on account of reduced production prospects by China, India and Brazil. Ending stocks are however forecast higher in the 2014/15 season than the previous one.
- Cotton prices for May delivery were pegged at US\$0.6506/pound (\approx US\$1.43/kg) on 13th April 2015, while Cotlook "A" index prices were pegged at US\$0.7285/pound (\approx US\$1.60/kg) by close of business on 10th April 2015.

Crude oil

- After a fall in the previous week mainly on news of increased global output, international oil prices have taken an upward spike. Brent prices settled at US\$58.68/barrel by 16:00hrs CAT on 13th April 2015, 12:00Hrs CAT, while WTI was pegged at US\$52.34/barrel.
- Oman's settlement price for June delivery was around US\$56.51/barrel early morning on 13th April 2015.

Brent Crude Oil Futures \$/barrel



Source: BBC Business, 2015

Dairy Prices for the week ending 10th April 2015

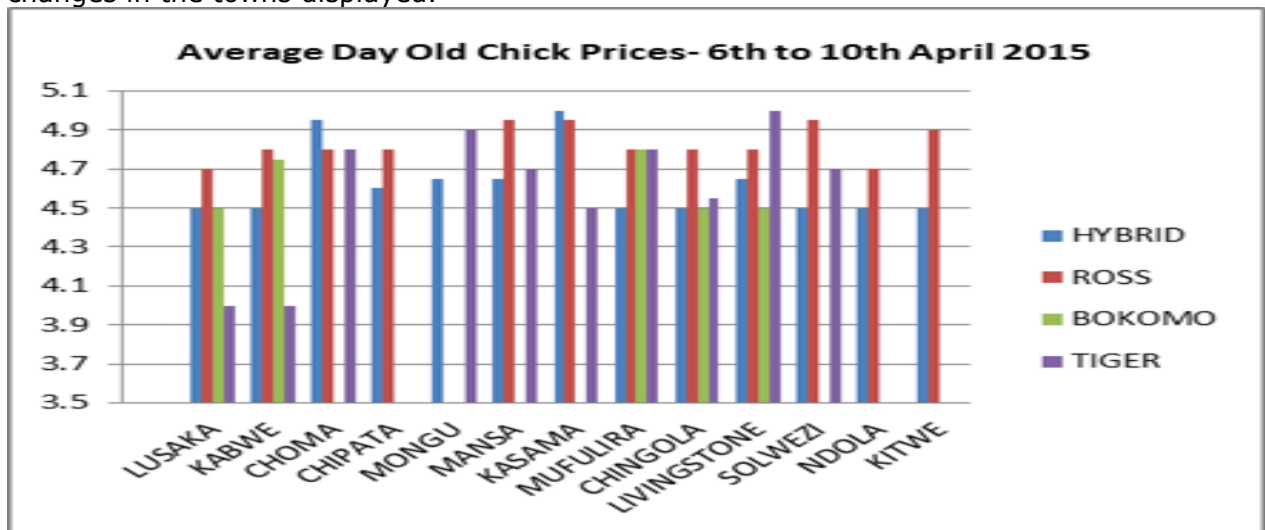
AVERAGE MILK PRODUCT PRICES				
Week Ending 10th April 2015				
Ser.	PRODUCT	Average Price 03.04.15	Average price 10.04.15	%Diff
1	500ml FRESH MILK	4.82	4.30	-12%
2	1 ltr FRESH MILK	9.97	9.70	-3%
3	2ltrs FRESH MILK	16.18	16.00	-1%
4	250mls UHT MILK	3.20	3.50	9%
5	500ml UHT MILK	6.10	6.20	2%
6	100ml YOGURT	3.30	3.00	-10%
7	175mls YOGURT	4.04	3.96	-2%
8	250mls YOGURT	2.99	2.99	0%
9	500ml YOGURT	11.06	10.70	-3%
10	2ltrs YOGURT	16.02	16.00	0%

From the table above, it can be seen that the average price of a 500mls fresh milk sachet reduced by 12% from K 4.82 to K4.30 in the week ending 10th April 2015 and that of 1litre fresh milk reduced by 3% from K9.97 to K 9.70. The Price of 500mls yogurt cup equally reduced by a similar percentage to that of 1 litre fresh milk (3%). Generally average prices of dairy products showed slight reductions between March and April 2015.

Poultry prices for the week ending 10th April 2015

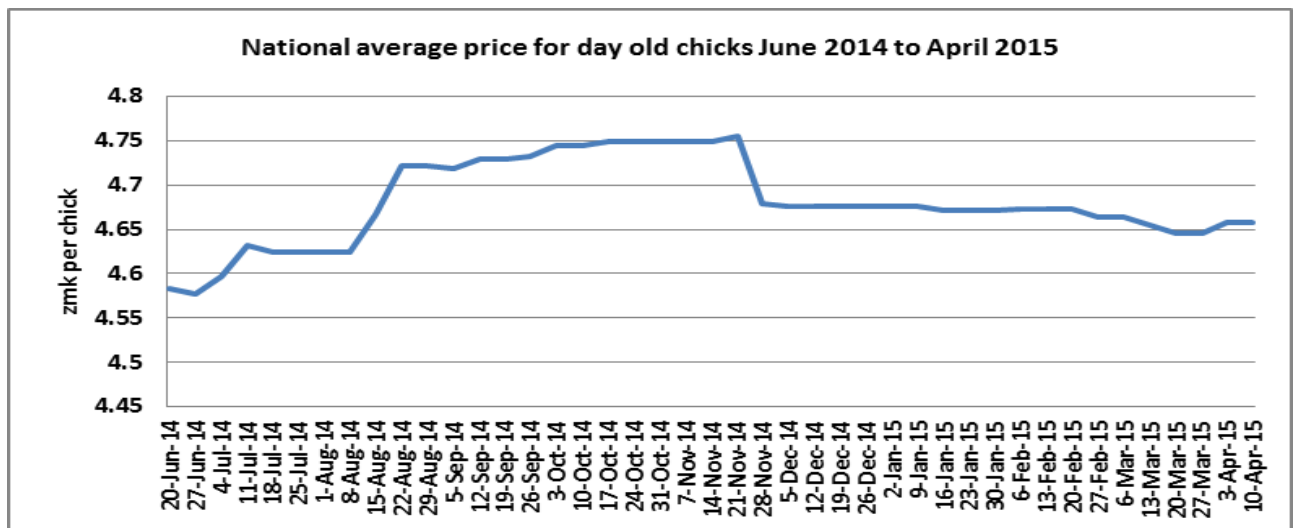
AVERAGE DAY OLD CHICK PRICES

Graph1 shows the price of different brands of day old chicks in selected towns. The price of day old chicks remained stable during the course of the week with no significant changes in the towns displayed.



Source: Poultry Association of Zambia

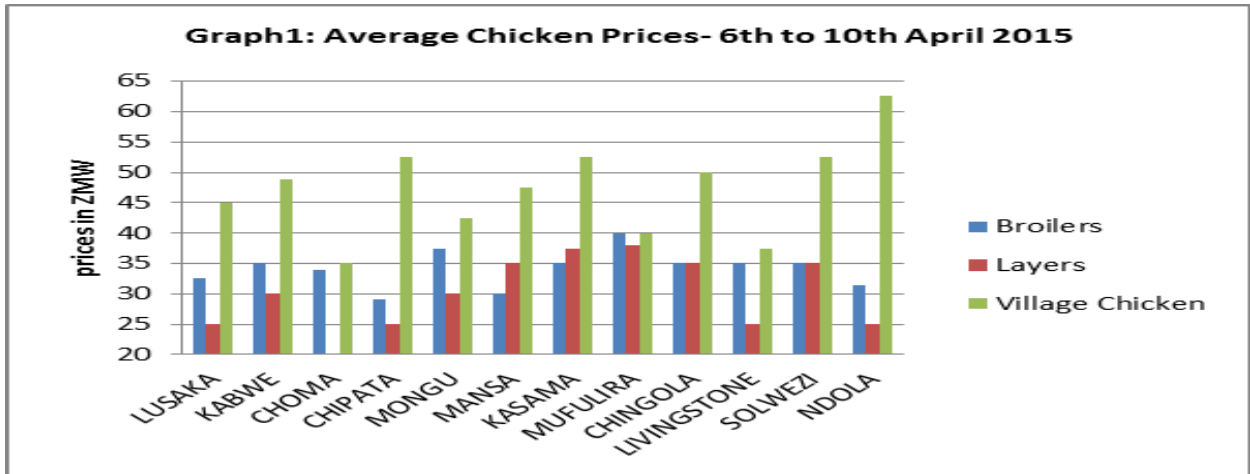
Graph 2 shows the national average price trends for day old chicks from June 2014 to April 2015. The graph shows that the average national price for day old chicks has been static since 3rd April 2015 at ZMW4.66.



Source: Poultry Association of Zambia

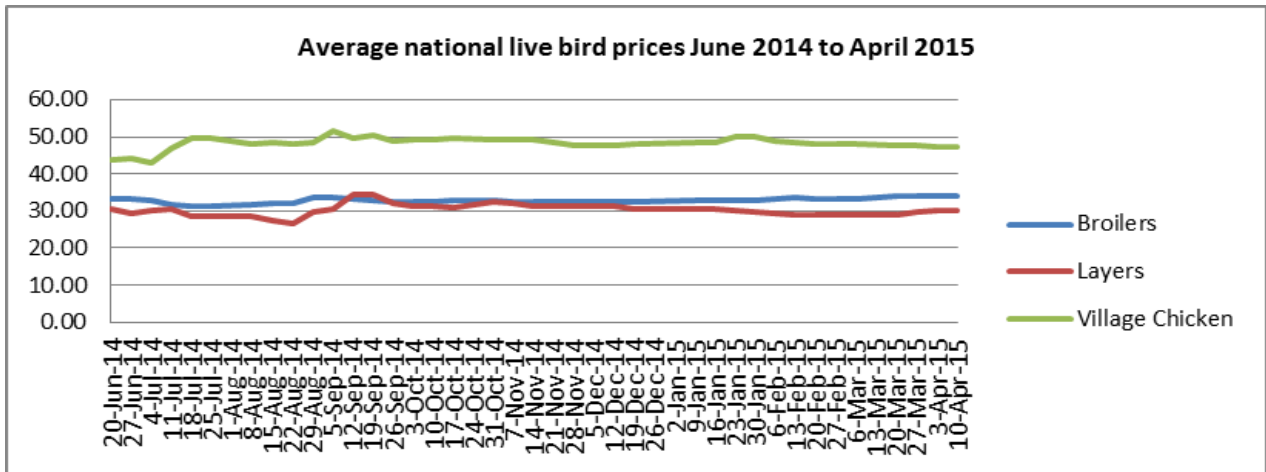
AVERAGE LIVE BIRDS PRICES

Graph1 below shows the average live bird prices in Lusaka, Choma, Kabwe, Chipata, Mongu Mansa, Mufulira, Chingola, Solwezi, Ndola, Kitwe and Livingstone. The price for live birds had been stable during the course of the week except for Solwezi where the price of Layers and village chickens reduced from ZMW37.50 to ZMW35.00 and from ZMW55.00 to ZMW52.50 representing 4.5% and 6.7% price reduction respectively. This can be attributed to an increase in the supply of these live birds.



Source: Poultry Association of Zambia

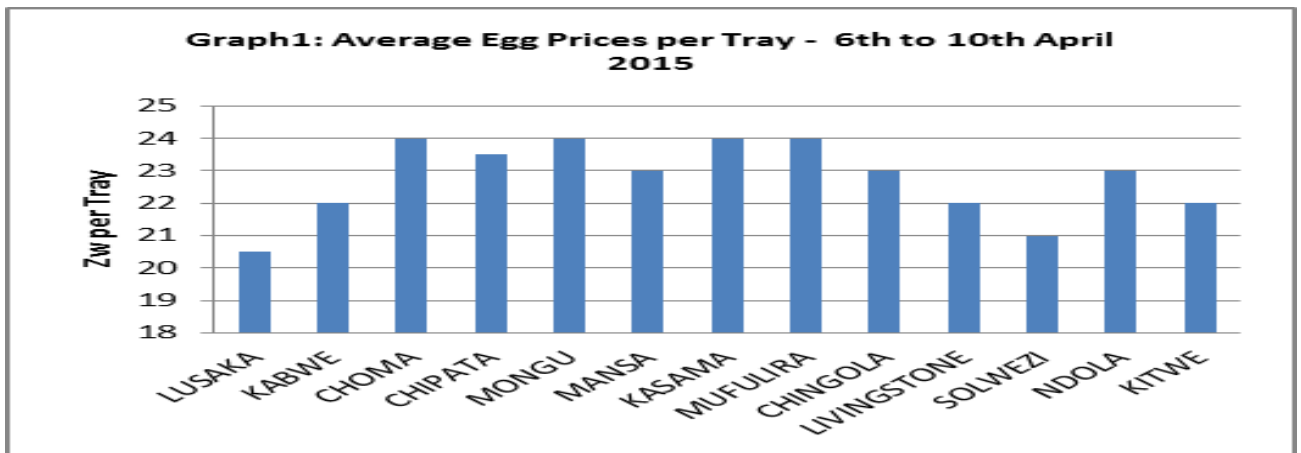
Graph 2 on the other hand shows the national average price trends for broilers, ex-layers and village chickens. The graph shows that the national average price of village chicken and layers slightly declined while the average national price of broilers remained stable at ZMW34.13. The average national price for village chickens and layers was ZMW47.19 and ZMW30.04 respectively.



Source: Poultry Association of Zambia

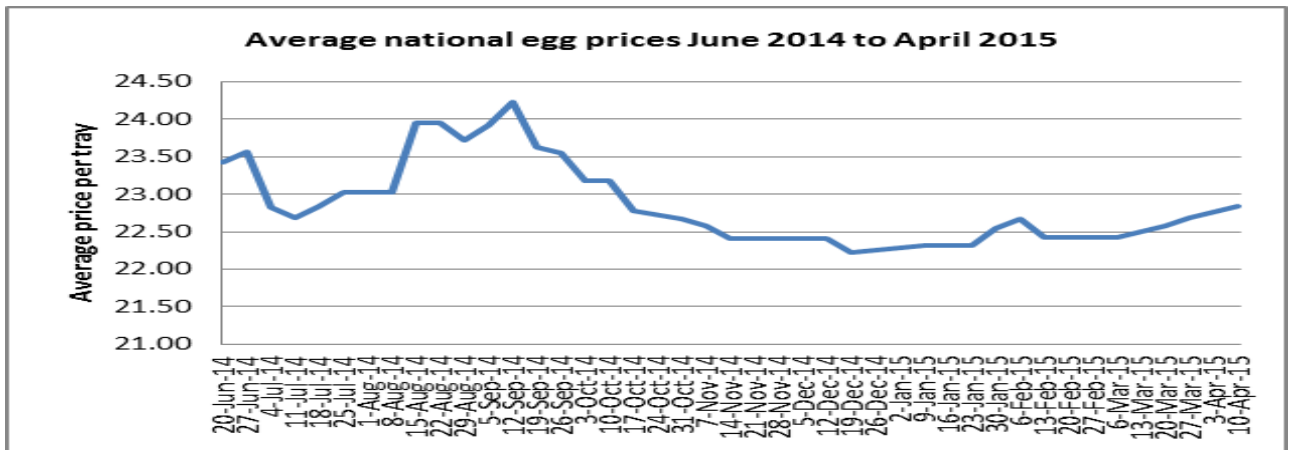
AVERAGE EGG PRICES

Graph1 below shows average retail prices of table eggs in selected provincial centres around the country. The price of eggs had been stable during the course of the week in all towns displayed except for Solwezi where the average price had risen from ZMW21.00 to ZMW22.00 representing 4.8% price increase.



Source: Poultry Association of Zambia

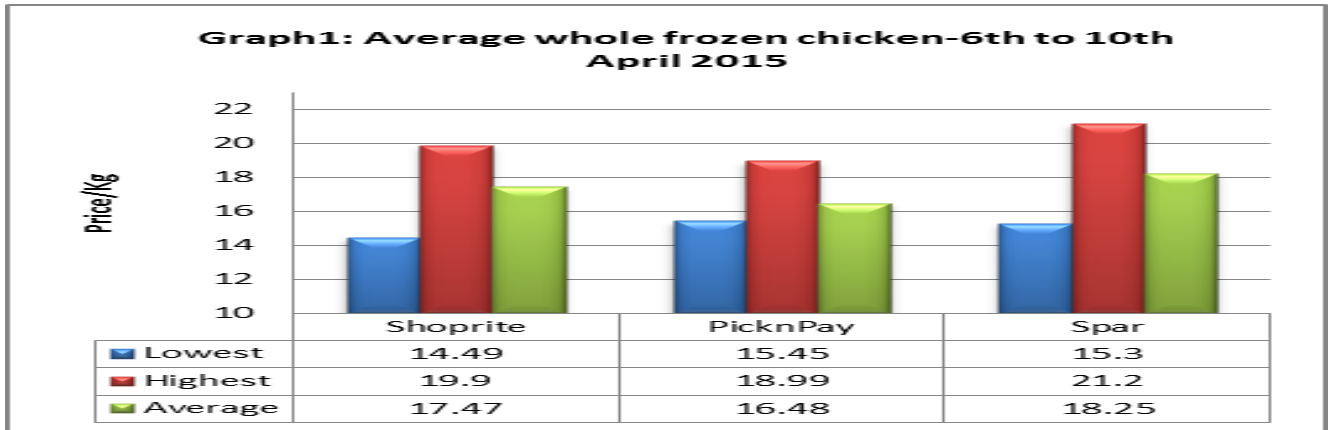
Graph 2 shows the price trend from mid-June 2014 to April 2015. The graph shows that the national average price of eggs continued on its uptrend. As of 10th April 2015 the average national price of a tray of eggs was ZMW22.85.



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 pegged at ZMW15.30 and ZMW21.20 respectively.



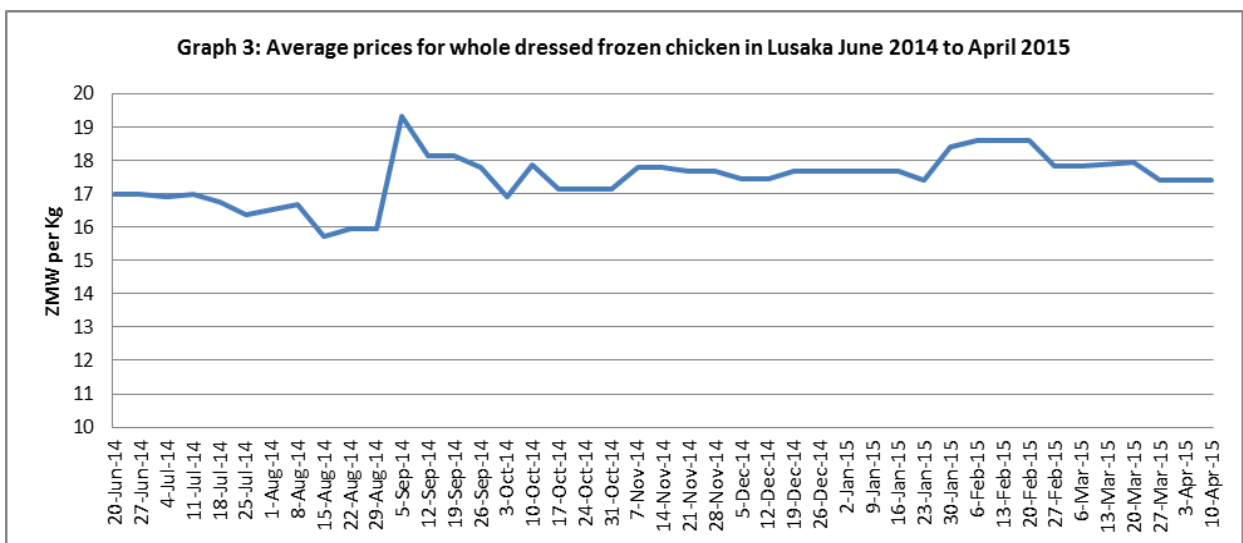
Source: Poultry Association of Zambia

Graph 2 shows the average prices for beef, chicken and Pork products in the three chain stores in Lusaka. The graph shows that chicken continued to be the cheapest source of protein.



Source: Poultry Association of Zambia

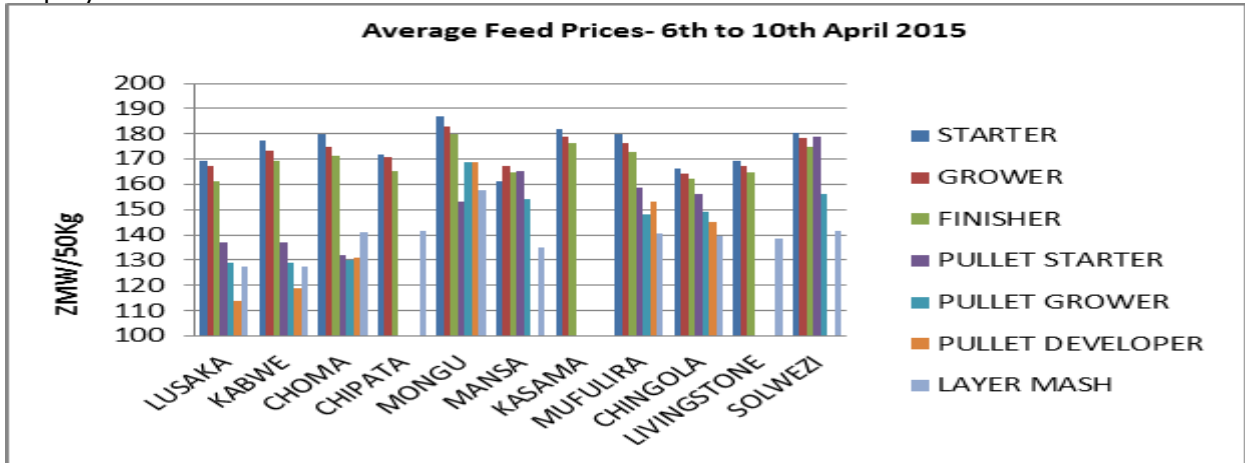
Graph 3 shows the average price trend for whole frozen dressed chicken in Lusaka from June 2014 – April 2015. The graph shows that the average price of frozen whole dressed chicken in Lusaka has been stable and as of 10th April 2015, the average price was ZMW17.40



Source: Poultry Association of Zambia

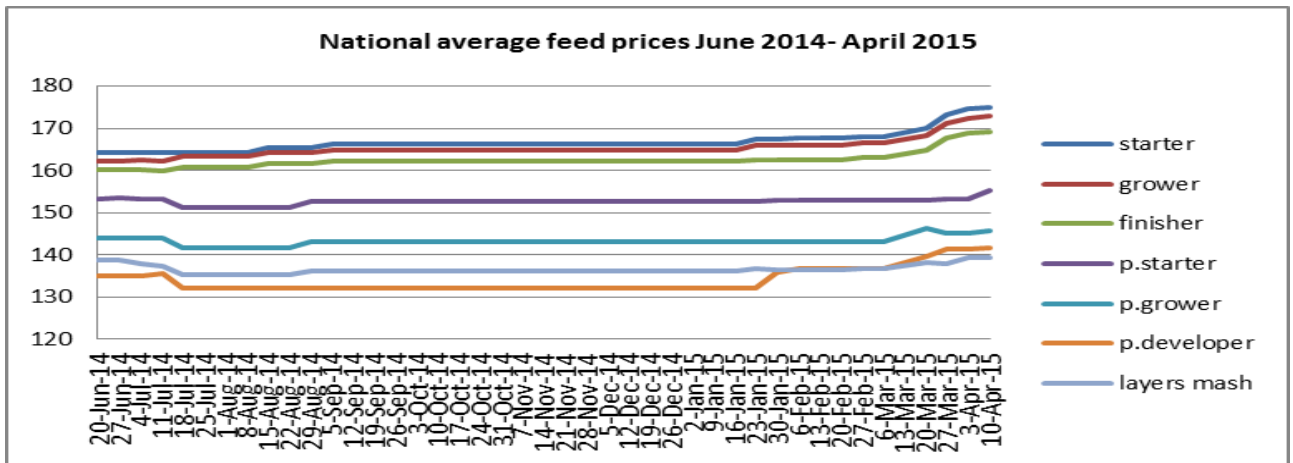
AVERAGE FEED PRICES

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.



Source: Poultry Association of Zambia

Graph 2 shows the national average price trend of feed between June 2014 and April 2015. The graph shows that the average price of feed rose in most towns as of 10th April 2015. This is mostly because some towns are still adjusting their prices after the recent price hikes. The price increase could be attributed to the devaluation of the kwacha against the dollar as well as a general increase in the price of inputs.



Source: Poultry Association of Zambia