



THE WEEKLY AGRO WATCH



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1st June, 2015 Vol.22

Industry Updates

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

Zambia doubles its trade deficit Again

Zambia has continued recording trade deficits for five consecutive months with the April 2015 deficit valued at ZMW717.2 million by the Central Statistical Office. The April deficit is more than double the March deficit which was valued at ZMW310.3 million and is the highest value on record after December 2005.

Exchange Rates

CURRENCY	01/06/2015 (BoZ-29/05/15)						26/05/2015 (BoZ-15/05/15)					
	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)	7.19	7.33	0.60	0.61	11.00	11.22	7.06	7.21	0.59	0.61	10.89	11.1
Standard Chartered Bank	7.21	7.35	0.60	0.61	11.02	11.24	7.07	7.21	0.59	0.60	10.90	11.12
ZANACO	7.2	7.34	0.59	0.60	11.00	11.23	7.08	7.22	0.59	0.60	10.88	11.15
Bank of Zambia	7.27	7.29	0.599	0.601	11.11	11.14	7.09	7.11	0.597	0.599	11.00	11.03

Parity Calculations

Import Parity Prices as at 29/05/2015					
US\$/ZAR=12.14 US\$/ZMK=7.29					
Parity Prices		U\$/ZMK	Maize	Soya	Wheat
Lusaka		7.29	420.21	587.54	487.63
Town	Ex-Lusaka freight (ZMK)	\$	\$	\$	\$
Chipata	275	37.72	457.93	625.26	525.35
Mkushi	225	30.86	451.07	618.40	518.49
Ndola	250	34.29	454.50	621.83	521.92
Kitwe	250	34.29	454.50	621.83	521.92

Note: Wheat prices are for December delivery

Export Parity Price Ranges (EPP)Harare-Lusaka as at 29/05/2015	
Soya Beans	465.52-480.52
Wheat	349.50-427.50
Maize	241.27-256.27

Local Mealie Meal Prices

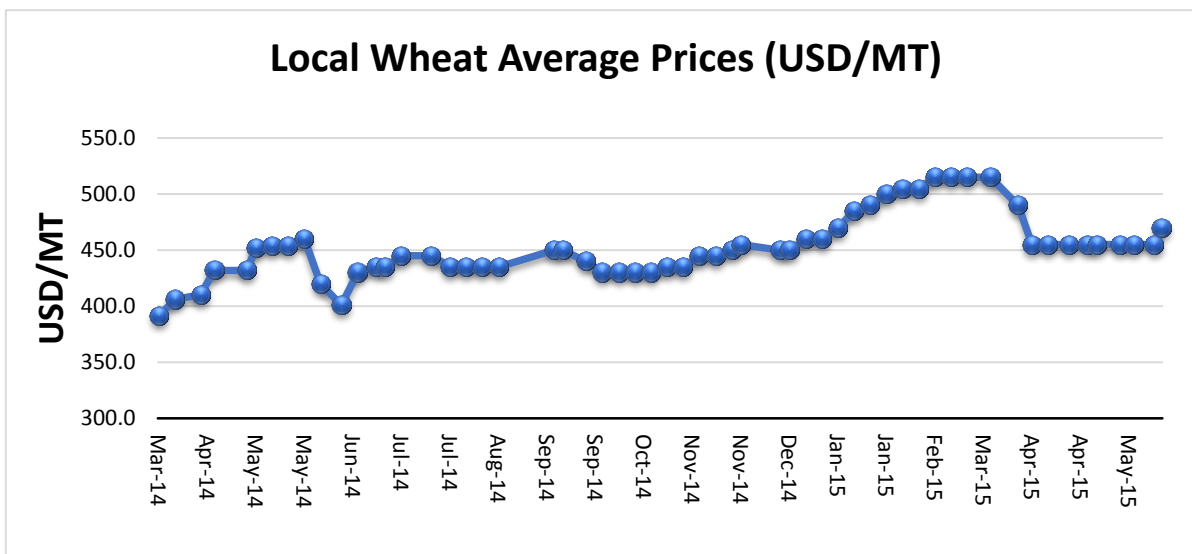
The table below portrays average prices for a 25kg bag of mealie meal in different districts around the country.

	Breakfast Meal	Roller Meal	Breakfast Meal	Roller Meal	Breakfast Meal	Roller Meal
	March '15		April '15		May '15	
Mbala	70	52.5				
Petauke	68	47	65	45		
Lusaka	68	48	63	45	63	45
Sesheke	71	54	53	52		
Kasama	75.33	57.33	75.33	57.33		
Livingstone	67	54	61.3	43	65	49
Solwezi	73	56	68	51	68	50.4
Kawambwa	75	65	69	62	72	60
Kabompo	84				85	65
Mpika	71	68			74.25	56.67
Ndola	61.38	51.13			65	55
Katete	67	-	67	-	67.33	-
Mazabuka					65	47.2
Choma					63	48

Wheat

Highlights

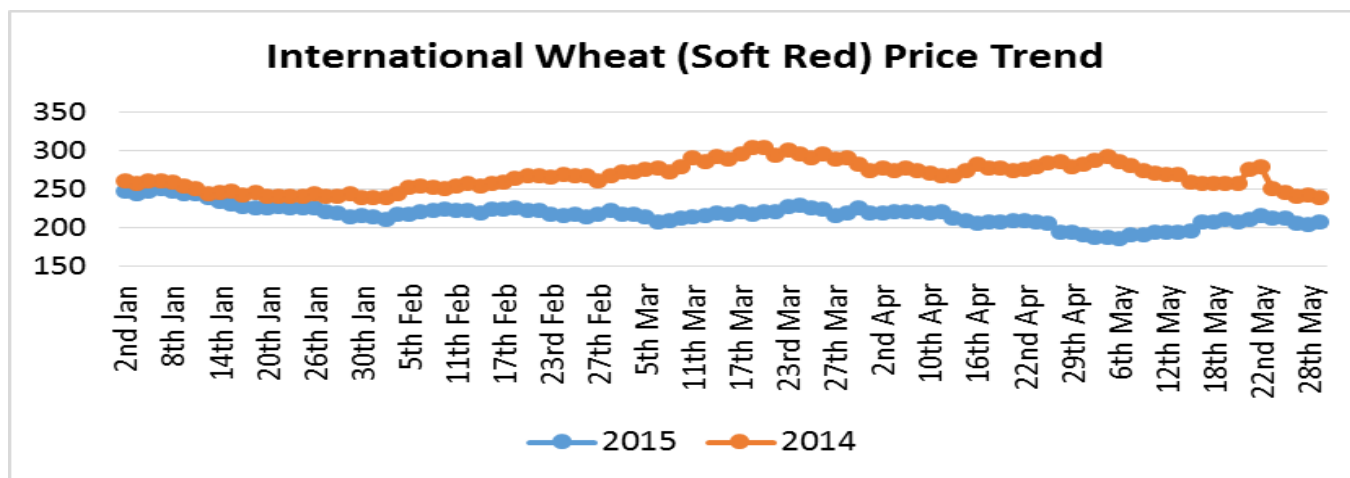
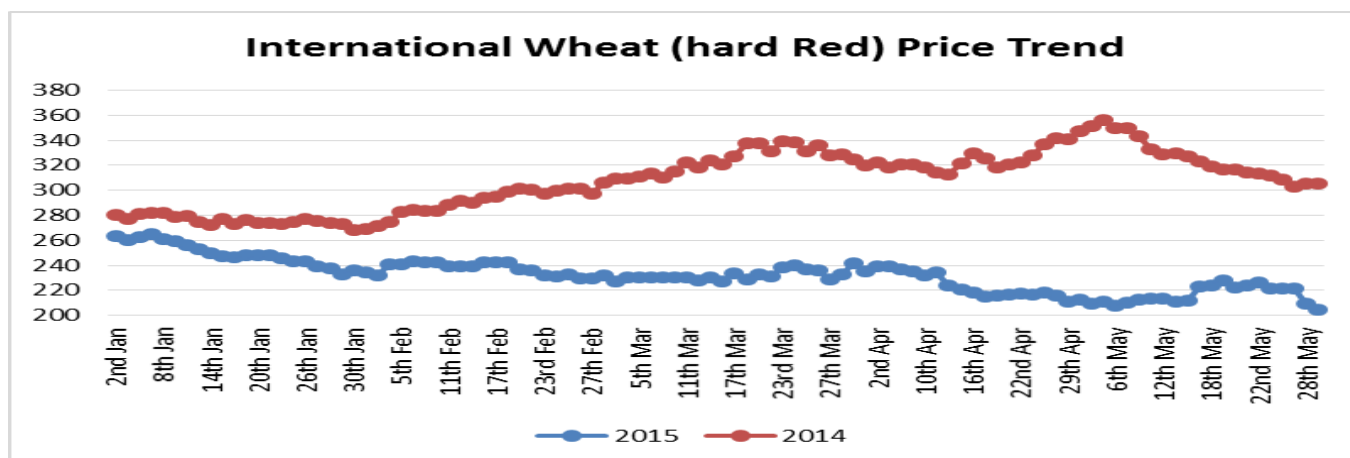
- India, the world's second largest producer of wheat is expecting a lower crop of just over 90 million tons in its 2014/15 (July/June) year. The country however has large carryover stocks with indications that its rate of offloading wheat to non-wheat growing states has progressed much slower than planned.
- Meanwhile the international Grains council has maintained its positive outlook on the 2015/16 crop revising it upwards to 715.1 million tons. Concerns of a poor US wheat crop fizzled off last week with forecasts of drier weather in the Southern Plains of USA.
- South Africa's Wheat exports destined for Zambia totalled 21,196MT by the week ending 22nd May 2015.
- The Chicago soft red wheat future price for delivery in July 2015 settled at US\$ 173.80/MT on 29th May 2015.
- Local wheat offer prices by traders were averaging US\$470/ton on 29th May 2015.



Source: ZNFU, 4455 Market Price Information System

Price trends

The Safex international soft red and hard red wheat averaged US\$208.77/ton and US\$215.88/ton respectively in the week ending 29th May 2015. In comparison to the previous week, both soft red and hard red recorded price falls of 0.86% and 4% respectively.

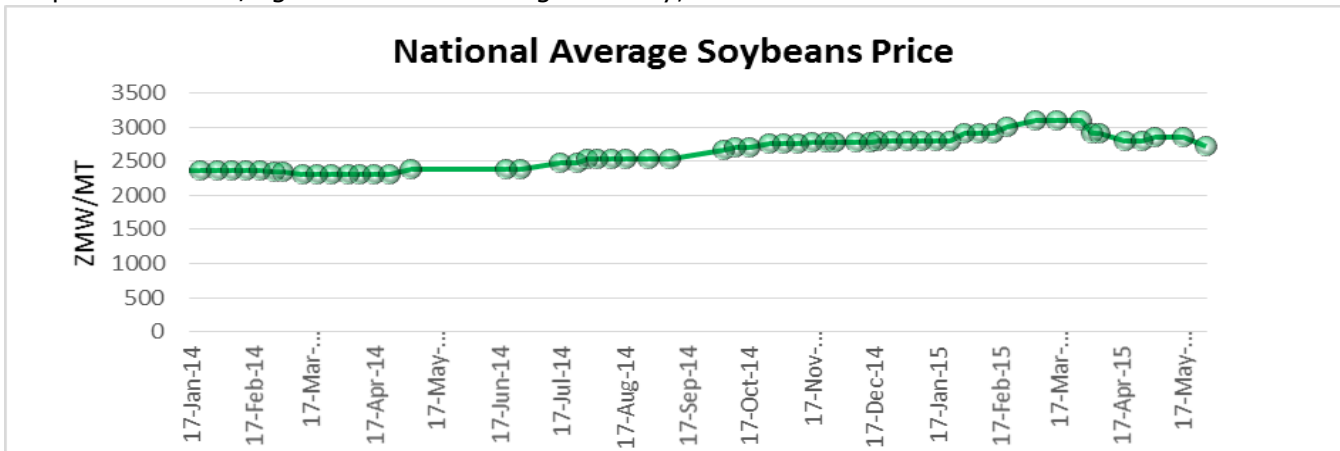


Source: Safex

Soya Beans

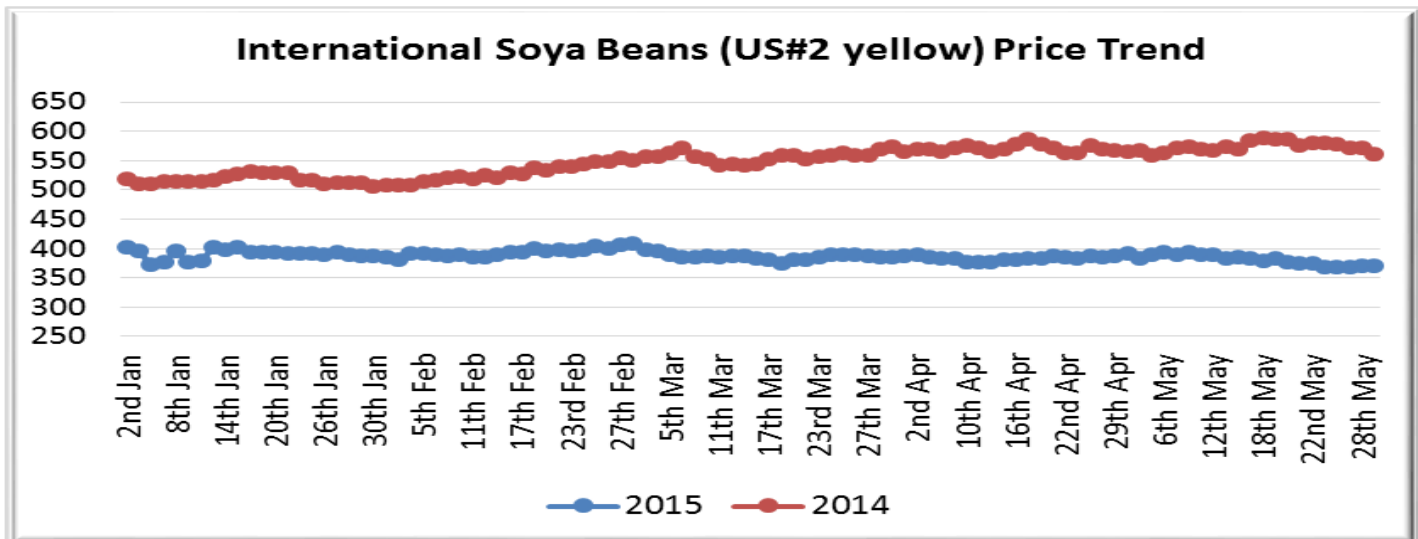
Highlights

- According to the International Grain Council (IGC), soya beans prices slumped by about 4 % in May to an almost five year low owing to good supply prospects. The final stages of the South American crop harvest revealed yields higher than initially anticipated. The IGC global production estimates currently stand at 319.8 million tons.
- In its fourth production estimate, South Africa has pegged its 2014/15 soya beans output at 942,850tons, about 4000 tons below last year's harvest. The country has pegged its average yield at 1.37tons per hectare, which is below Zambia's 2014/15 national average of 1.75tons/ ha and large scale yield of about 2.8tons/ hectare. Poor weather that characterised the Southern Africa's 2014/15 agricultural season reduced yield levels in both countries
- Soya beans for July 2015 delivery on Chicago Mercantile Exchange were around US\$343.19/ton on 29th May 2015.
- Soybeans offer prices by traders as captured by the ZNFU 4455 price information system were averaging price of K2.72/Kg in the week ending 29th May, 2015.



Price trends

International prices of US No. 2 yellow soya beans on Safex traded lower by 2.1 percent and averaged US\$369.74/ton during the week ending 29th May. All prices are fob gulf.

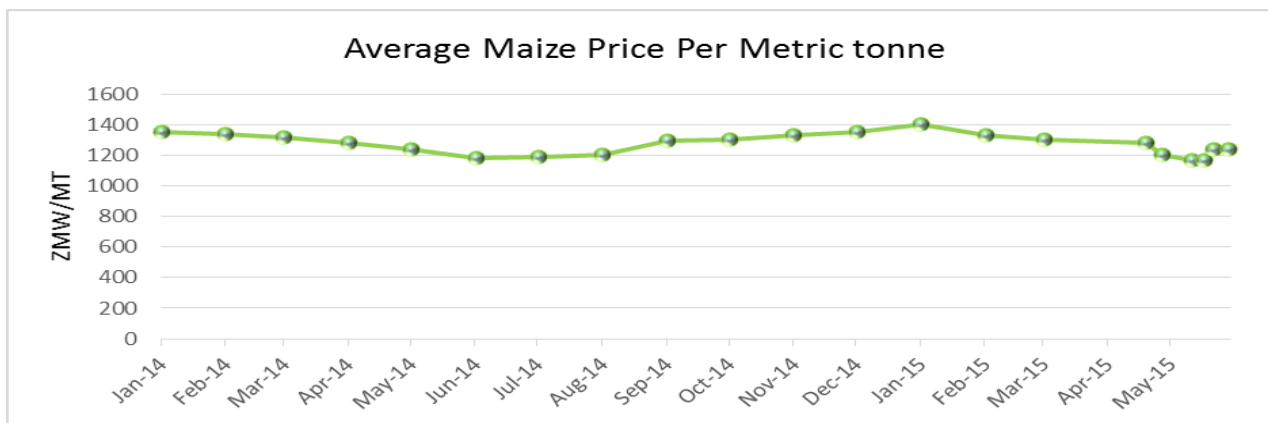


Source: Safex

Maize

Highlights

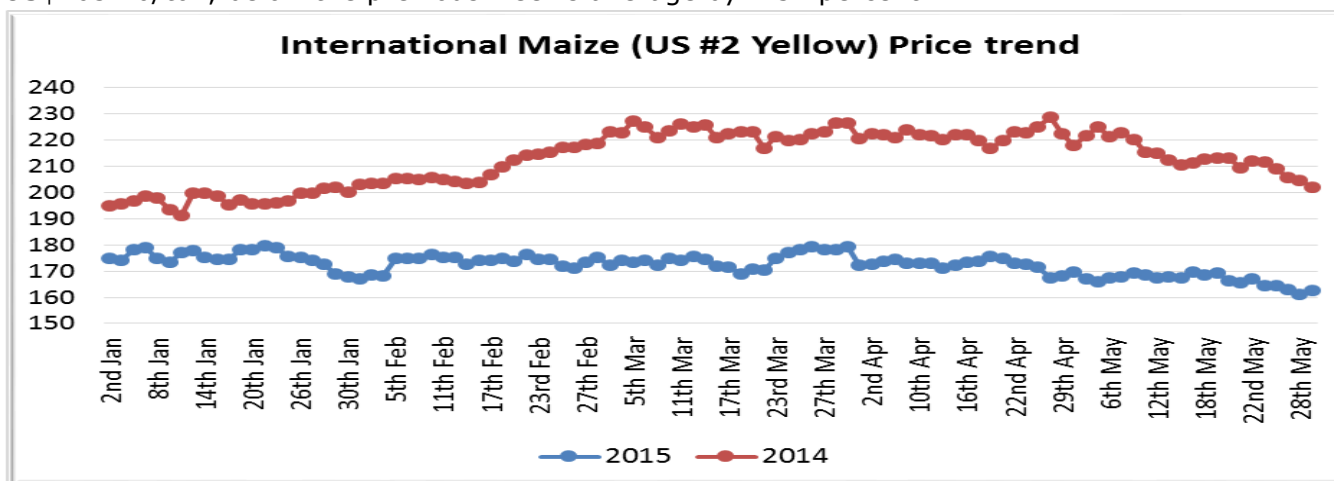
- According to South Africa's fourth maize production forecast, the country expects a maize crop of about 9.84million tons, 0.79 percent above the previous forecast. The country is still targeting to import about 550,000MT of maize out of which 50,000MT will be white maize.
- The decision by the US. Energy Protection Agency to scale down its use of maize in ethanol production aided the retreat of international maize prices last week. It is hoped that reduction in ethanol production will match up with consumption which has slowed down over the last two years due to adverse market conditions and lower gasoline use.
- The Chicago maize futures price for delivery in July 2015 was pegged at US\$ 138.34/MT on 29th May 2015.
- Local maize offer prices averaged ZMW1, 238/ton in the week ending 29th May 2015.



Source: ZNFU, 4455 Market Price Information System

Price trends

During the week ending 29th May 2015, international maize fob prices as recorded by Safex averaged US\$163.16/ton, below the previous week's average by 2.54 percent.



Source: Safex

Cotton

Highlights

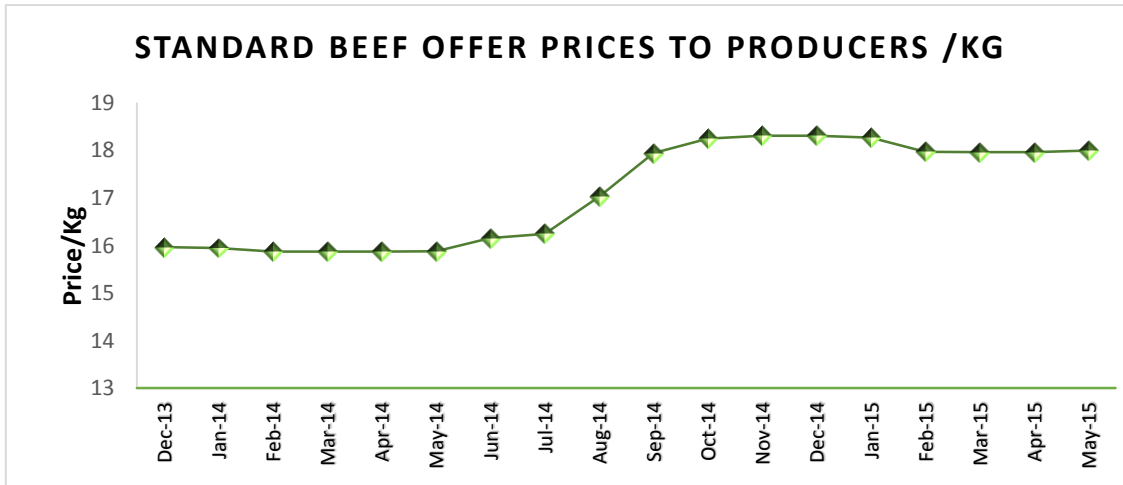
- Higher than expected sales of cotton by the U.S pushed up global prices last week. For the week ending 21st May, 2015, the US upland cotton sales were 98 percent above the previous week's sale and 86 percent beyond the prior 4-week average sales. While exports to China, Malaysia, Japan and Mexico had

reduced during the week under review, exports to Vietnam, Turkey, Hong Kong, Taiwan, Guatemala and Pakistan increased.

- Cotton prices for July delivery on the new York market were pegged at US\$0.6466/pound (\approx US\$1.42/kg) on 1st June, while Cotlook "A" index prices were pegged at US\$0.7230/pound (\approx US\$1.59/kg) 29th May 2015.

Beef

- Local beef offer prices by traders were averaging ZMK18/Kg in the week ending 29th May 2015

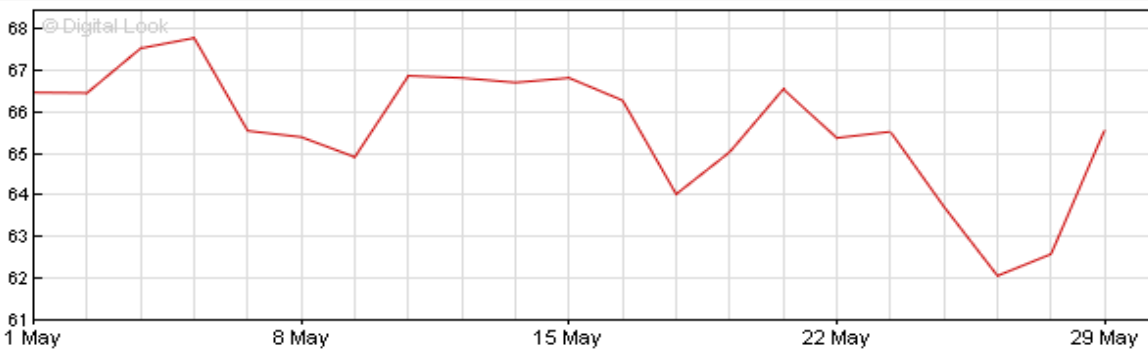


Source: ZNFU 4455 price information System

Crude oil

- A further drop in the U.S oil rigs operations supported the rise in crude oil prices last week. By Monday morning, the pressure seems to have steamed off on news that OPEC's oil output might still remain high after rising in May.
- Brent crude oil prices settled at US\$65.01/ barrel while WTI was pegged at US\$59.72/barrel early morning on 1st June 2015.
- Oman's settlement price for August delivery was around US\$63.77/barrel on 1st June 2015.

Brent Crude Oil Futures \$/barrel



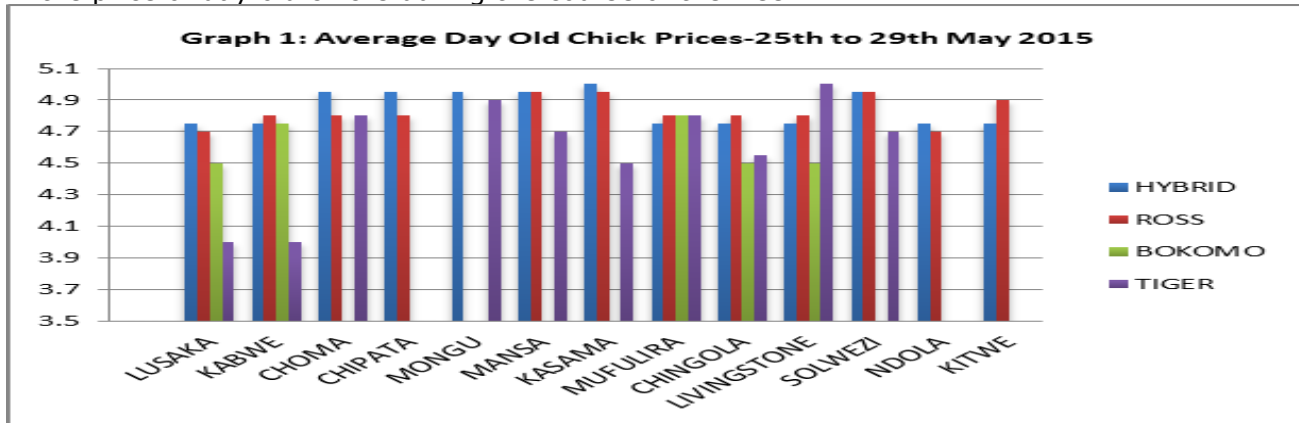
Source: BBC Business, 2015

Poultry prices for the week ending 22nd May 2015

DOMESTIC POULTRY PRICES

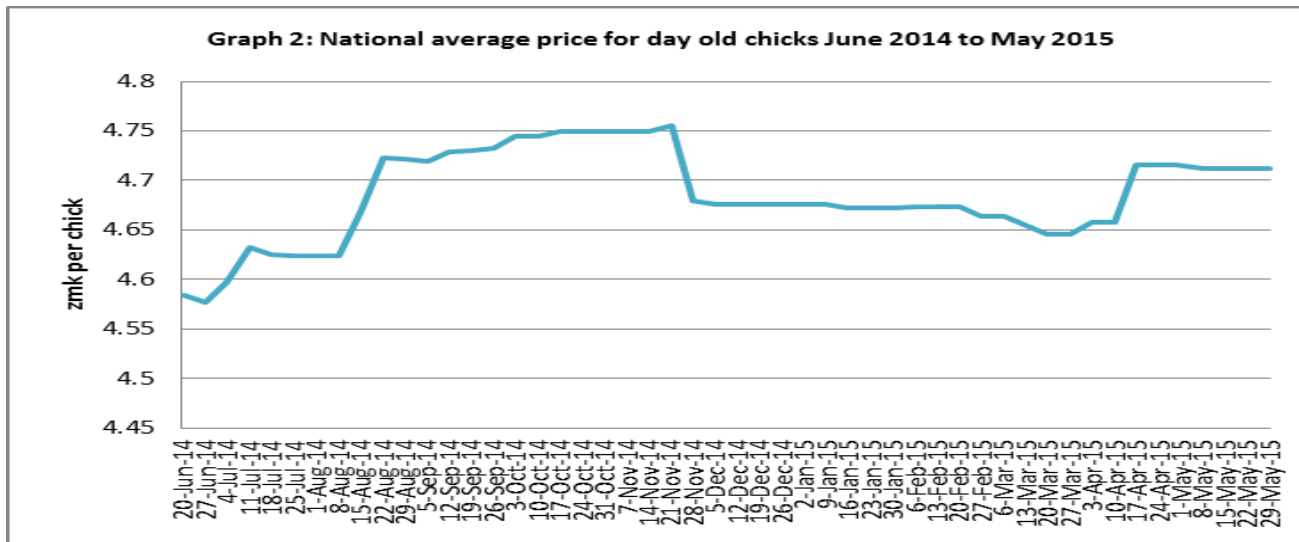
AVERAGE DAY OLD CHICK PRICES

Graph1 shows the price of different breeds of day old chicks in selected towns. There were no notable changes in the price of day old chicks during the course of the week.



Source: Poultry Association of Zambia

Graph 2 shows the national average price trend for day old chicks from June 2014 to May 2015. The average national price of day old chicks as of 29th May 2015 was ZMW4.71.



Source: Poultry Association of Zambia

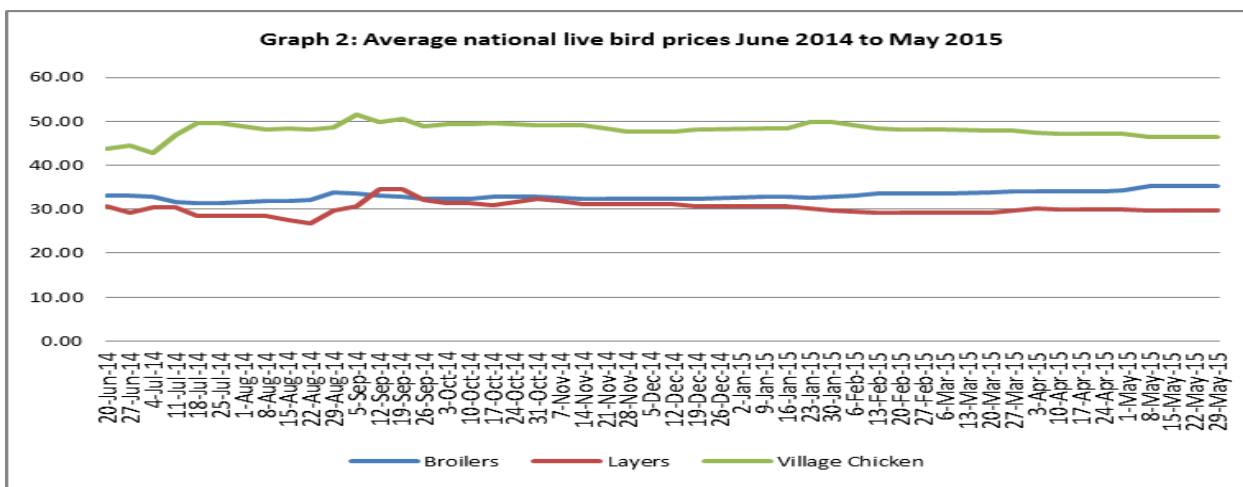
AVERAGE LIVE BIRDS PRICES

Graph1 below shows the average live bird prices in Lusaka, Choma, Kabwe, Chipata, Mongu Mansa, Mufulira, Chingola, Solwezi, Ndola, Kitwe and Livingstone. Prices of live birds last week were similar to those of the previous week.



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 average national price of village chicken, ex-layers and broilers was ZMW46.49, ZMW29.63 and ZMW35.38 respectively.



Source: Poultry Association of Zambia

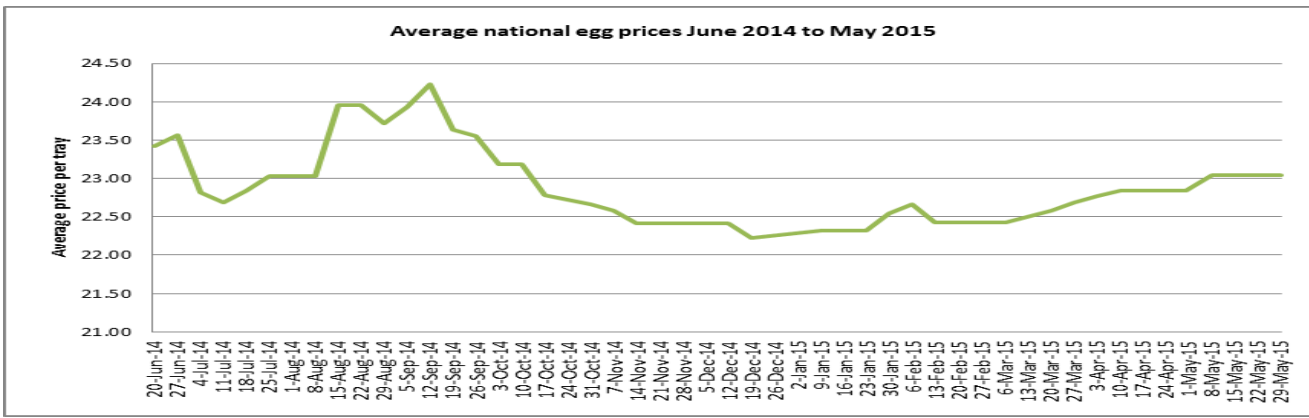
AVERAGE EGG PRICES

Graph 1 below shows average retail prices of table eggs in selected provincial centres around the country. Lusaka has continued to maintain lowest average prices for eggs at ZMW20.5 while Choma, Mongu, Kasama and Mufulira maintained highest average price at ZMW24. There was however no significant changes in the price of eggs in the towns displayed.



Source: Poultry Association of Zambia

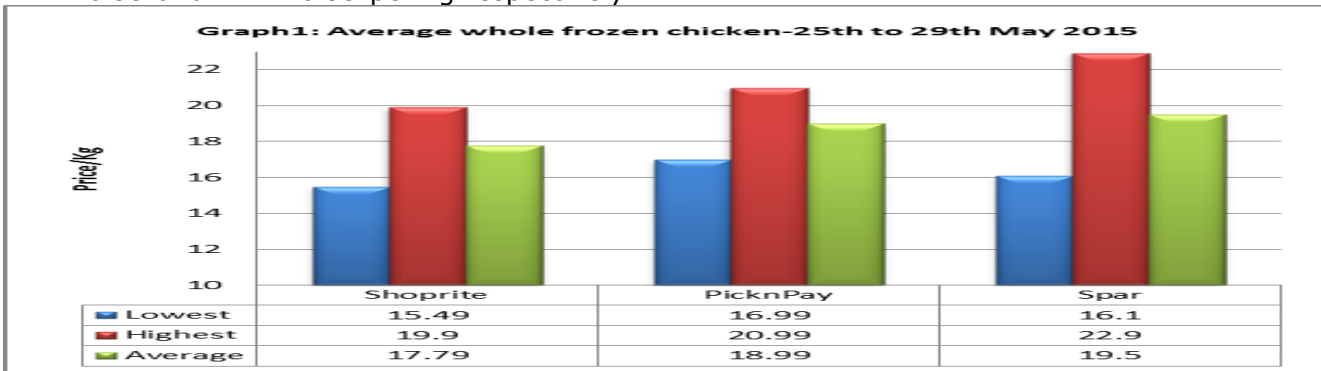
Graph 2 shows the price trend for a tray of eggs from mid-June 2014 to May 2015. The average national price of eggs as of 29th May 2015 was ZMW23.04.



Source: Poultry Association of Zambia

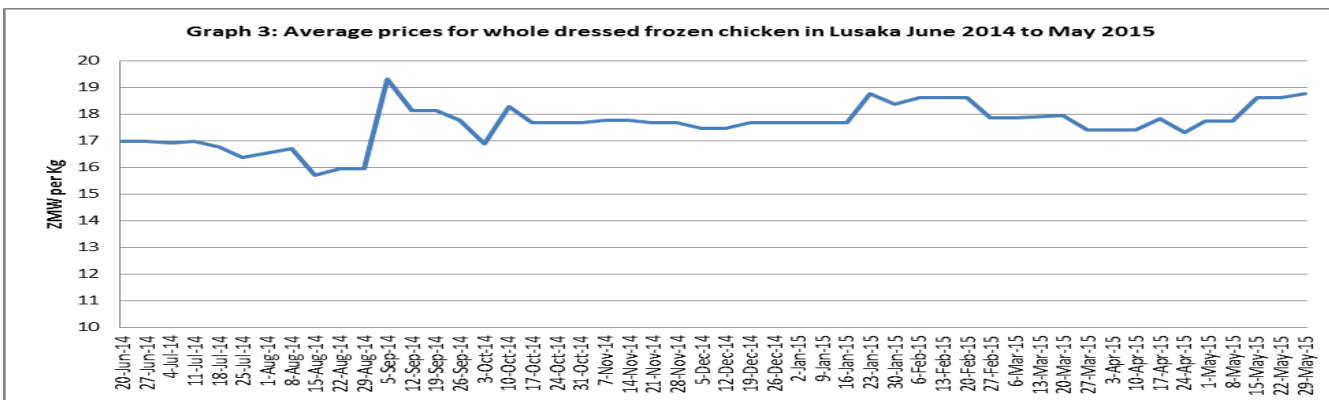
AVERAGE WHOLE DRESSED CHICKEN PRICES

Graph1 below shows average prices of whole frozen chickens in three of Lusaka’s chain stores. Spar had the highest average price at ZMW19.50/kg with the lowest and highest priced frozen whole chicken going for ZMW16.10/kg and ZMW22.90/kg respectively. On the other hand, Shoprite had the lowest average price for frozen whole chickens at ZMW17.79 and the prices were in the range of ZMW15.49 to ZMW19.90 per kg. The average price for frozen whole chicken in Pick n’ Pay is ZMW18.99/kg with the lowest and highest going for ZMW16.99 and ZMW20.99 per kg respectively.



Source: Poultry Association of Zambia

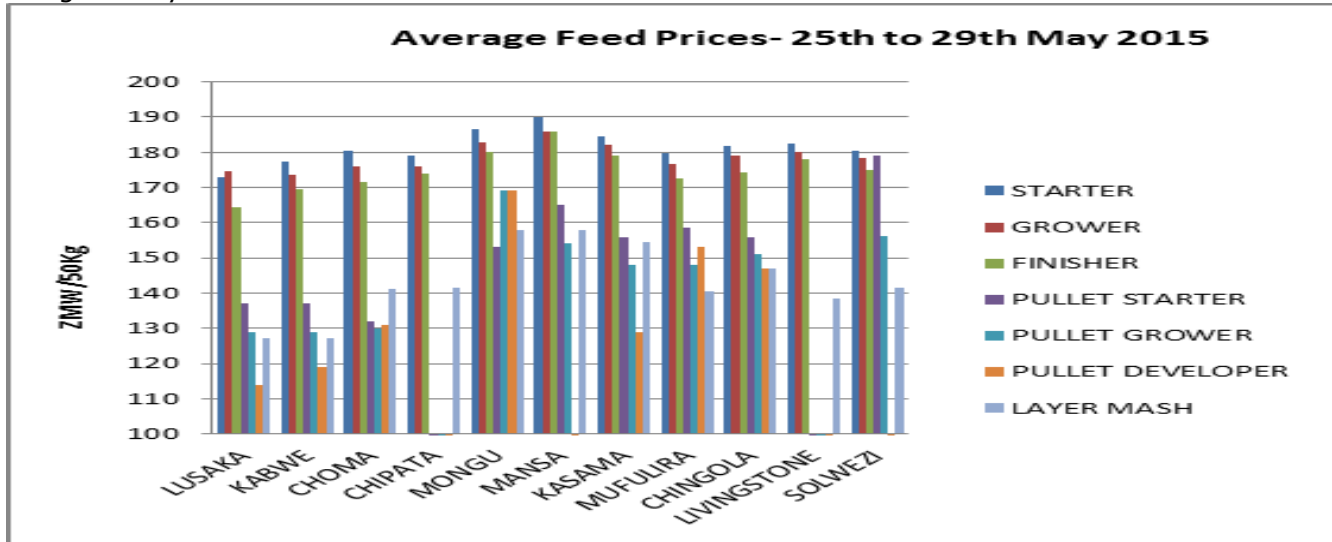
Graph2 shows the average price trend for whole frozen dressed chicken in Lusaka from June 2014 – May 2015. The graph shows that the average price of frozen whole dressed chicken had slightly risen to ZMW18.76 as of 29th May 2015.



Source: Poultry Association of Zambia

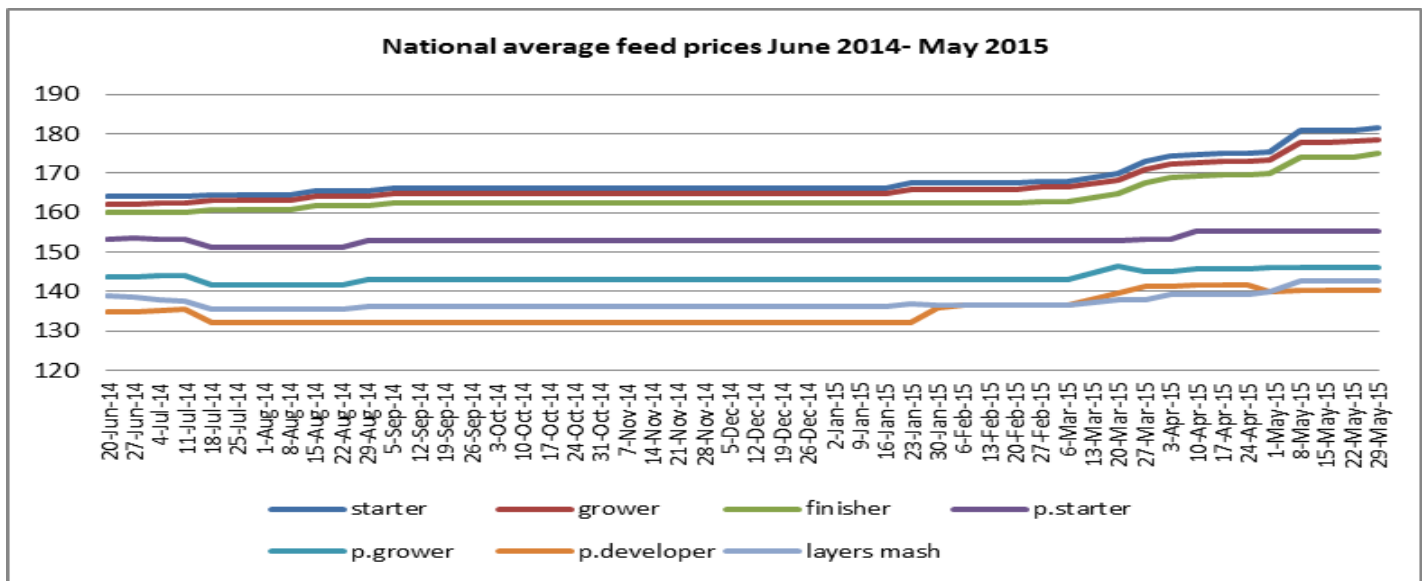
AVERAGE FEED PRICES

Graph 1 show average weekly feed prices in selected towns. The graph shows that the average poultry stock feed prices are lowest in Lusaka and Kabwe and Highest in Mongu. The graph further shows that pullet feeds are generally lower than broiler feeds.



Source: Poultry Association of Zambia

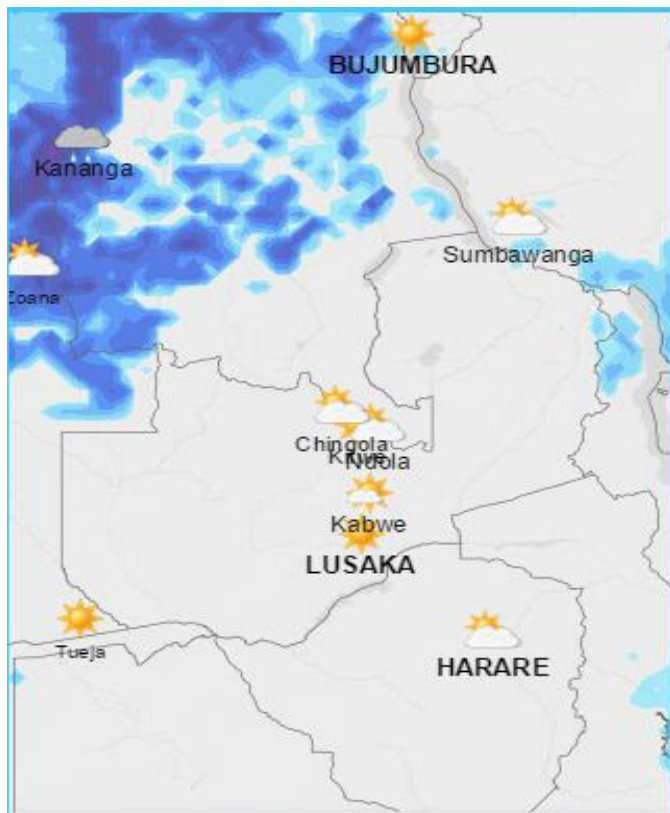
Graph 2 shows the national average price trend of feed prices from June 2014 to May 2015. The graph shows that feed prices have been relatively stable the past month compared to the first quarter of the year when prices were adjusted upwards in all towns.



Source: Poultry Association of Zambia

Weather Forecast

The table summarizes the weather forecast for some selected towns for the period 2nd – 8th June 2015.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ Clear sunny skies forecast for the 2nd with the rest of the week expected to be fairly to partially cloudy. ➤ Average daily Temps: 16-28°C
Mkushi	<ul style="list-style-type: none"> ➤ Clear sunny skies forecast for the 2nd, 3rd & 8th with the rest of the week having partially cloudy to cloudy skies. ➤ Average daily Temps:13-28°C
Kabwe	<ul style="list-style-type: none"> ➤ Clear sunny skies forecast for the 2nd, 3rd & 8th with the rest of the week having partially cloudy to cloudy skies. ➤ Average daily Temps:13-27°C
Lusaka	<ul style="list-style-type: none"> ➤ Partially cloudy to clear sunny skies forecast for the whole week. ➤ 0.1mm of precipitation forecast for the 6th. ➤ Average daily Temps:14-26°C
Mazabuka	<ul style="list-style-type: none"> ➤ Clear sunny skies forecast for the 2nd, 3rd & 8th with the rest of the week being fairly to

	<ul style="list-style-type: none"> ➤ partially cloudy skies. ➤ Average daily Temps: 14-28°C.
Choma	<ul style="list-style-type: none"> ➤ Clear sunny skies forecast for the 2nd & 5th with the rest of the week being fairly to partially cloudy. ➤ 1.1mm of light rain showers forecast for the 6th. ➤ Average daily Temps:11-26°C
Livingstone	<ul style="list-style-type: none"> ➤ Fairly to partially cloudy forecast for the 3rd & 7th with the rest of the week having clear sunny skies. ➤ Average daily Temps:12-28°C
Mongu	<ul style="list-style-type: none"> ➤ Clear sunny skies forecast for the 4th with the rest of the week being fairly to partially cloudy. ➤ Average daily Temps: 17-30°C.
Mansa	<ul style="list-style-type: none"> ➤ The whole week will mostly have clear sunny skies with the mornings of the 5th & 6th forecast to be partially cloudy. ➤ Average daily Temps: 16-28°C.
Kasama	<ul style="list-style-type: none"> ➤ The whole week will mostly have clear sunny skies with the mornings of the 5th & 6th forecast to be partially cloudy. ➤ Average daily Temps: 14-28°C.
Solwezi	<ul style="list-style-type: none"> ➤ Fairly to partially cloudy skies forecast for the week with periods of clear sunny skies on the mornings of the 2nd & 8th. ➤ Average daily Temps: 15-29°C.
Chipata	<ul style="list-style-type: none"> ➤ Fairly cloudy to clear sunny skies forecast for the whole week save for the 6th when it's expected to be mostly cloudy. ➤ Average daily Temps: 14-27°C.

Source: Norway meteorological Institute

