



THE WEEKLY AGRO WATCH



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29th June, 2015 Vol.26

Industry Updates

Highlights:

- ❖ *Maize leads in NTE export earnings*
- ❖ *Wheat crop under stress*
- ❖ *New chicks hit market*
- ❖ *Monthly imports of dairy products average K4.8 million*
- ❖ *Call for 2016 national budget submissions*

TRADE DEFICIT STILL ON THE RISE

Zambia's trade deficit has continued to rise and was valued at K1, 193.3 million in May 2015 by the Central Statistical Office. Zambia has been recording rising trade deficits for six consecutive months. Meanwhile, Zambia's share of non-traditional exports (NTE) rose from 21.5% in April to 26.2 Percent in May 2015. Maize exports were topping the chart of non-traditional exports, accounting for 7.2% of the total NTE export earnings at a value of 73.7 million Kwacha. Raw sugar cane, tobacco (not stemmed/stripped and partly or wholly stemmed/stripped) and oil cakes and other residues of soya beans contributed 6.1%, 5.7% and 2.2% respectively to the May 2015 NTE earnings.

Exchange Rates

CURRENCY	29/06/2015						22/06/2015 (BOZ 19/06/15)					
	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)	7.31	7.45	0.60	0.61	11.47	11.71	7.35	7.50	0.61	0.62	11.66	11.90
Standard Chartered Bank	-	-	-	-	-	-	7.34	7.49	0.61	0.62	11.67	11.90
ZANACO	7.30	7.44	0.59	0.60	11.40	11.69	7.34	7.48	0.60	0.62	11.61	11.91
Bank of Zambia	7.36	7.38	0.60	0.61	11.58	11.61	7.41	7.43	0.606	0.607	11.76	11.80

Weather Forecast

The table summarizes the weather forecast for some selected towns for the period 30th June- 7th July 2015.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ The whole week will mostly have clear sunny skies with some fairly to partially cloudy skies expected on the mornings of the 2nd & 3rd. ➤ Average daily Temps: 12-26^oC
Mkushi	<ul style="list-style-type: none"> ➤ The whole week will mostly have clear sunny skies with some partial cloud cover expected on the 2nd & 3rd. ➤ Average daily Temps:12-26^oC
Kabwe	<ul style="list-style-type: none"> ➤ The 2nd & 3rd are forecast to be partially cloudy with the rest of the week having mostly clear sunny skies. ➤ Average daily Temps:9-25^oC
Lusaka	<ul style="list-style-type: none"> ➤ The 2nd & 3rd are forecast to be partially cloudy with the rest of the week having mostly clear sunny skies. ➤ Average daily Temps:10-24^oC

Mazabuka	<ul style="list-style-type: none"> ➤ The 2nd & 3rd are forecast to be partially cloudy to cloudy with the rest of the week having mostly clear sunny skies. ➤ Average daily Temps: 11-26^oC.
Choma	<ul style="list-style-type: none"> ➤ The 2nd & 3rd are forecast to be partially cloudy with the rest of the week having mostly clear sunny skies. ➤ Average daily Temps:9-23^oC
Livingstone	<ul style="list-style-type: none"> ➤ The 2nd & 3rd are forecast to be fairly to partially cloudy with the rest of the week having clear sunny skies. ➤ Average daily Temps:12-25^oC
Mongu	<ul style="list-style-type: none"> ➤ The 1st- 3rd are forecast to be fairly to partially cloudy with the rest of the week having clear sunny skies. ➤ Average daily Temps: 11-27^oC.
Mansa	<ul style="list-style-type: none"> ➤ The 30th is expected to be fairly cloudy in the morning with the rest of the week having clear sunny skies. ➤ Average daily Temps: 13-24^oC.
Kasama	<ul style="list-style-type: none"> ➤ 30th June- 2nd July will be fairly cloudy with the rest of the week having clear sunny skies. ➤ Average daily Temps: 12-27^oC.
Solwezi	<ul style="list-style-type: none"> ➤ The week will mostly have clear sunny skies. ➤ Average daily Temps: 11-27^oC.
Chipata	<ul style="list-style-type: none"> ➤ 30/06-02/07 will be fairly to partially cloudy with the rest of the week having clear sunny skies. ➤ Average daily Temps: 14-27^oC.

Source: Norway meteorological Institute

Parity Calculations

Domestic Import Parity Prices as at 30/06/2015					
US\$/ZAR=12.26 US\$/ZMW=7.45					
Parity Prices		U\$/ZMW	Maize	Soya	Wheat
Lusaka		7.45	484.53	604.91	514.24
Town	Ex-Lusaka freight (ZMW)	\$	\$	\$	\$
Chipata	275	36.91	521.44	641.82	551.15
Mkushi	225	30.20	514.73	635.11	544.44
Ndola	250	33.56	518.09	638.47	547.80
Kitwe	250	33.56	518.09	638.47	547.80

*Note: Prices of soya beans and maize based on September Safex futures prices.

Wheat prices are for December delivery

Export Parity Price Ranges (EPP) Harare-Lusaka as at 12 th June 2015	
Soya Beans	471-505
Wheat	349-427
Maize	232-320

Local Mealie Meal Prices

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

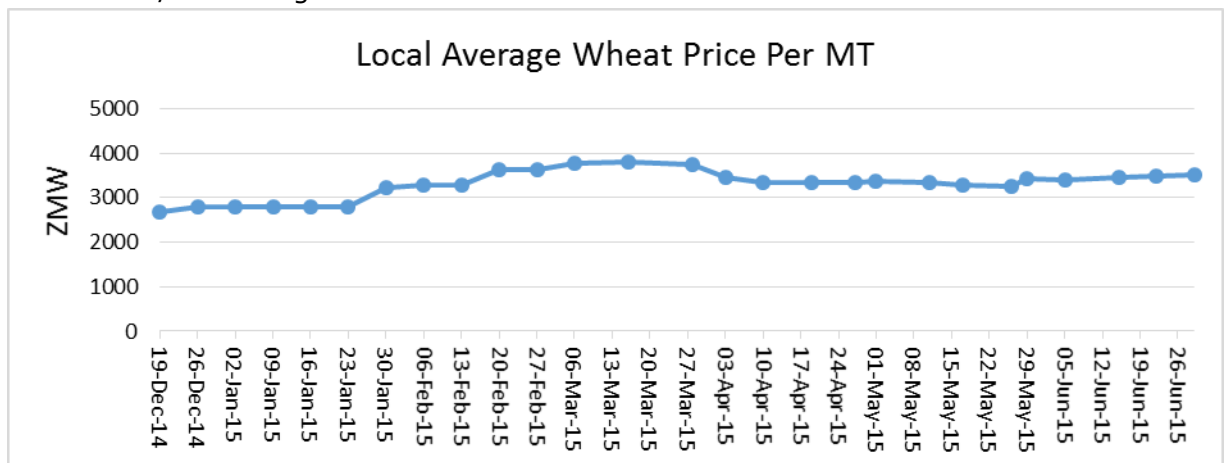
	Breakfast Meal(25kg)	Roller Meal (25kg)	Breakfast Meal(25kg)	Roller Meal (25kg)	Breakfast Meal(25kg)	Roller Meal (25kg)	Breakfast Meal(25kg)	Roller Meal (25kg)
	March '15		April '15		May '15		June '15	
Mbala	70	52.5	-	-	-	-	-	-
Petauke	68	47	65	45	-	-	-	-
Lusaka	68	48	63	45	63	45	63.5	47
Sesheke	71	54	53	52	-	-	-	-
Kasama	75.33	57.33	75.33	57.33	-	-	-	-
Livingstone	67	54	61.3	43	65	49	65.9	47.43
Solwezi	73	56	68	51	68	50.4	-	-
Kawambwa	75	65	69	62	72	60	69.25	58.33
Kabompo	84	-	-	-	85	65	-	-
Mpika	71	68	-	-	74.25	56.67	-	-
Ndola	61.38	51.13	-	-	65	55	67.5	54.75
Katete	67	-	67	-	67.33	-	67.33	-
Mazabuka	-	-	-	-	65	47.2	-	-
Choma	-	-	-	-	63	48	-	-

Source: ZNFU Regional Offices

Wheat

Highlights

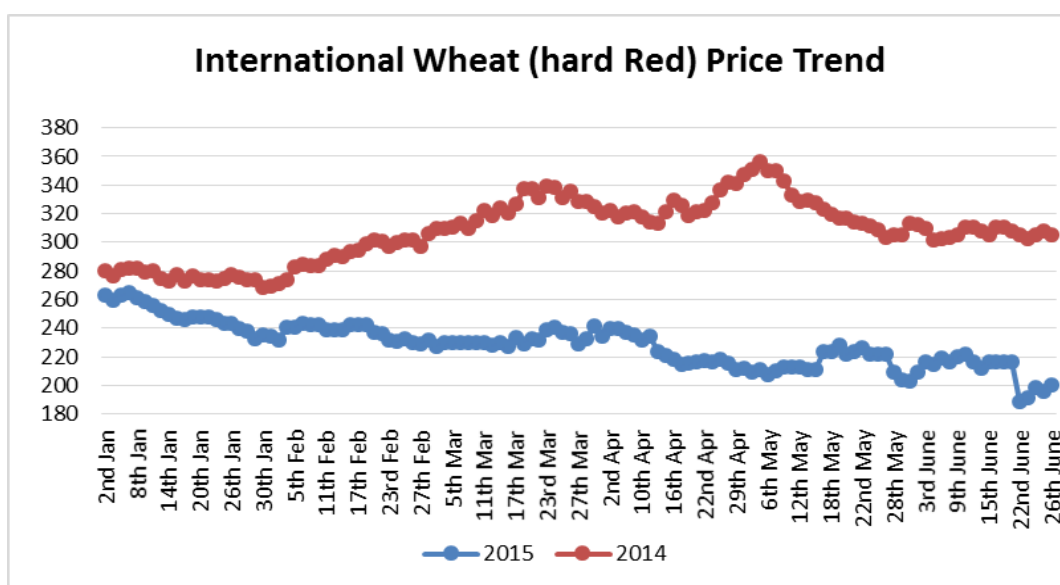
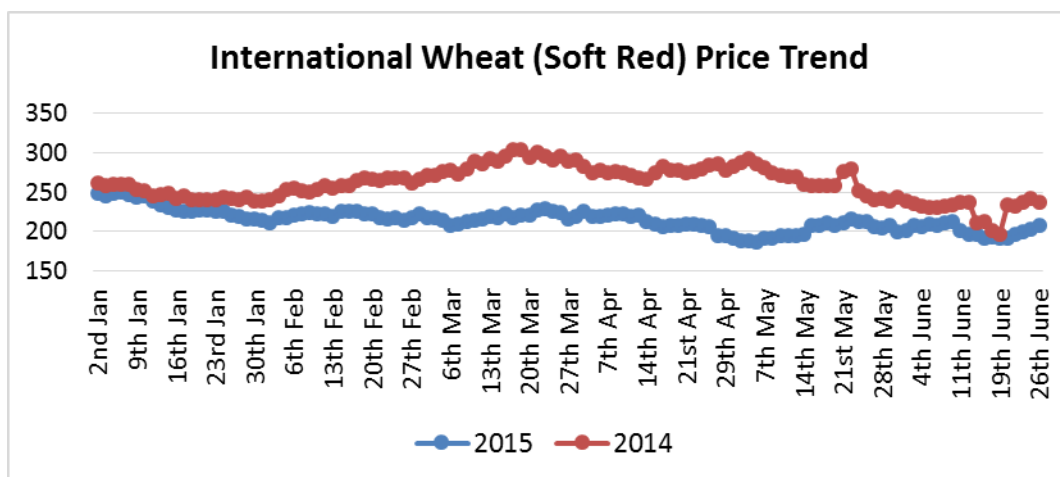
- Heavy rains received in the U.S Midwest last week, at a time when farmers are supposed to be harvesting the crop, helped resuscitate international wheat prices especially on the Chicago trading platform. The heavy rains are delaying the harvest of the soft red wheat variety. Soft red wheat is mostly used for cakes and pastries while hard red wheat usually has a higher protein content and is used mostly in bread and household flour.
- On the local scene, the increased load shedding by the power utility company, ZESCO, is causing stress on the wheat crop in some farming areas. Zambia's wheat is grown during the cold dry season, between April and October, and hence thrives on irrigated water which is normally pumped to the fields using electricity.
- South Africa's Wheat exports destined for Zambia totalled 31,078MT by the week ending 19th June 2015.
- The Chicago soft red wheat future price for delivery in July 2015 were hovering around US\$ 206.57/MT on 29th June 2015.
- Local wheat offer prices by traders have stagnated and were averaging ZMW 3510.9 /ton during the week 26th June 2015.



Source: ZNFU, 4455 Market Price Information System

Price trends

The Safex international soft red and hard red wheat averaged US\$199.83/ton and US\$195.14/ton respectively in the week ending 26th June 2015. In comparison to the previous week, soft red prices rose by 3.41 percent on average and hard red recorded an average price fall of 9.91percent. All prices are fob US gulf.

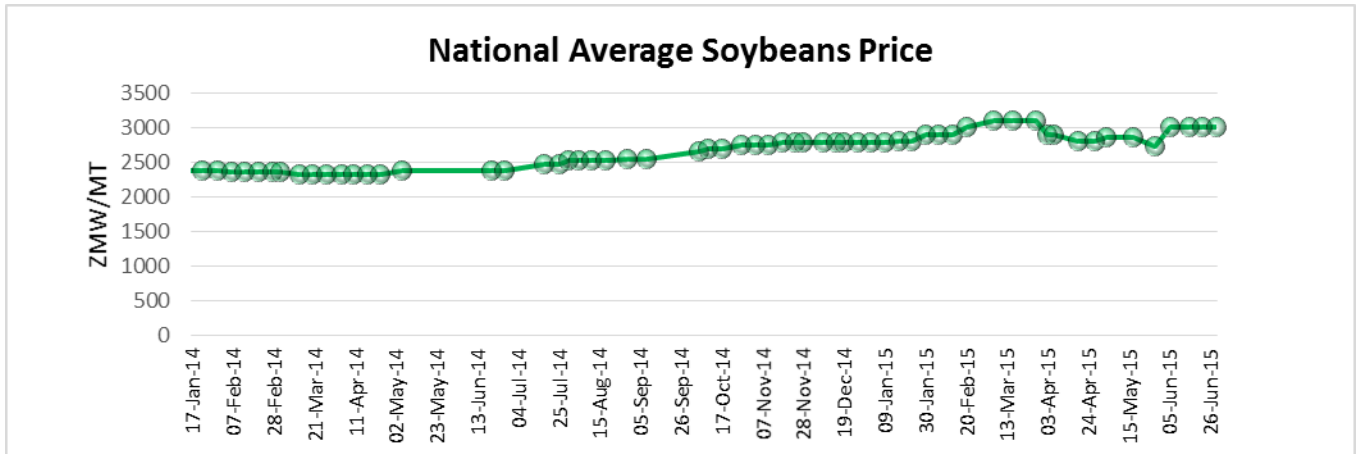


Source: Safex

Soya Beans

Highlights

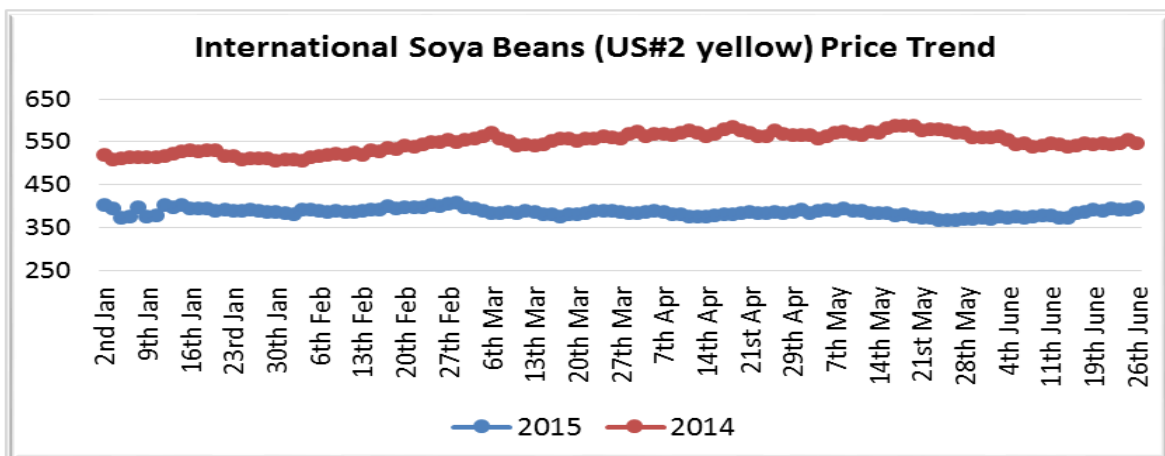
- Indonesia has passed regulations which will introduce an export levy on crude palm oil exports. The aim of the regulations is to mainly support the country's biodiesel industry. The country's Ministry of finance is still in the process of determining the levy. Meanwhile, USDA has estimated that the levy will be between US\$10-US\$50/ton.
- On the local scene, oilseed stakeholders are involved in consultations to ascertain whether the country has surplus production of the crop.
- Soya beans for July 2015 delivery on Chicago Mercantile Exchange were hovering around US\$368.17/ton on 29th June 2015. Too wet conditions are making the U.S soya beans and maize planting more challenging, thereby supporting the rise in prices on the Chicago market.
- Soybeans offer prices by traders as captured by the ZNFU 4455 price information system were averaging ZMW3, 009/ton in the week ending 26th June, 2015.



Source: ZNFU, 4455 Market Price Information System

Price trends

International prices of US No. 2 yellow soya beans on Safex traded higher by 2.38 percent and averaged US\$393.32/ton during the week ending 26th June. All prices are fob US gulf.

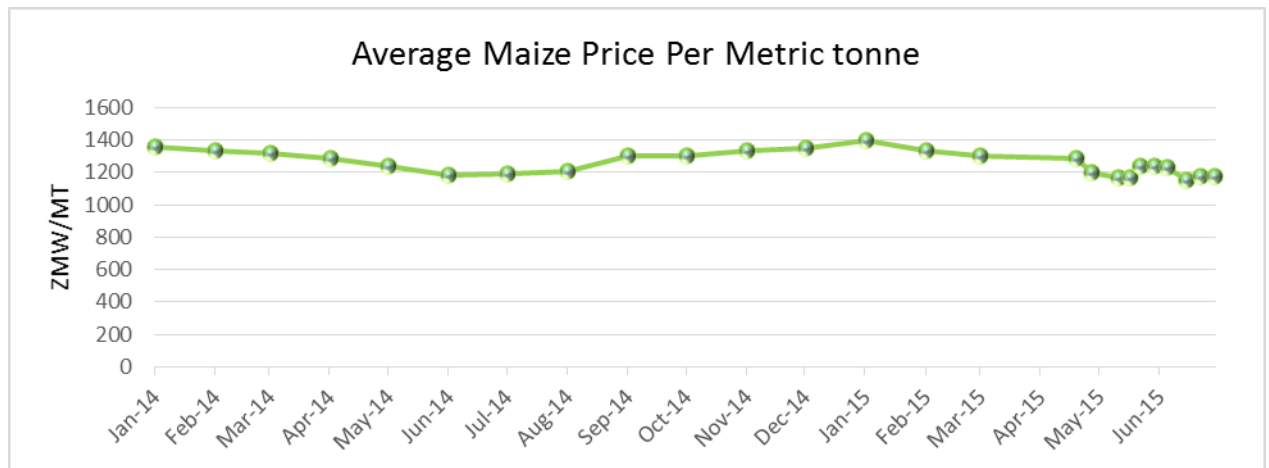


Source: Safex

Maize

Highlights

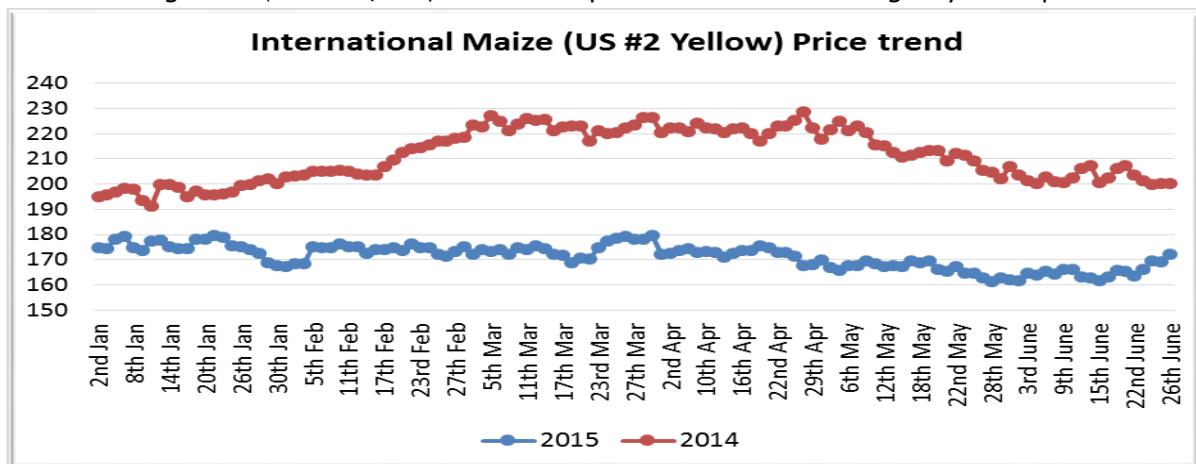
- Despite offering a lucrative price of about US\$390/ton, reports are that Zimbabwean farmers are reluctant to sell their maize to the country’s Grain Marketing Board (GMB) due to failure of the board to pay the farmers on time with the Herald Paper of Zimbabwe indicating that some farmers are still owed from last marketing season’s sales.
- The Chicago maize futures price for delivery in July 2015 was pegged at US\$ 151.57/MT on 29th June 2015.
- Local maize offer prices by traders averaged ZMW1, 177/ton in the week ending 26th June 2015 according to the ZNFU market price information system.



Source: ZNFU, 4455 Market Price Information System

Price trends

During the week ending 26th June 2015, international maize fob prices as recorded by Safex averaged US\$168.16/ton, above the previous week's average by 2.55 percent.



Source: Safex

Cotton

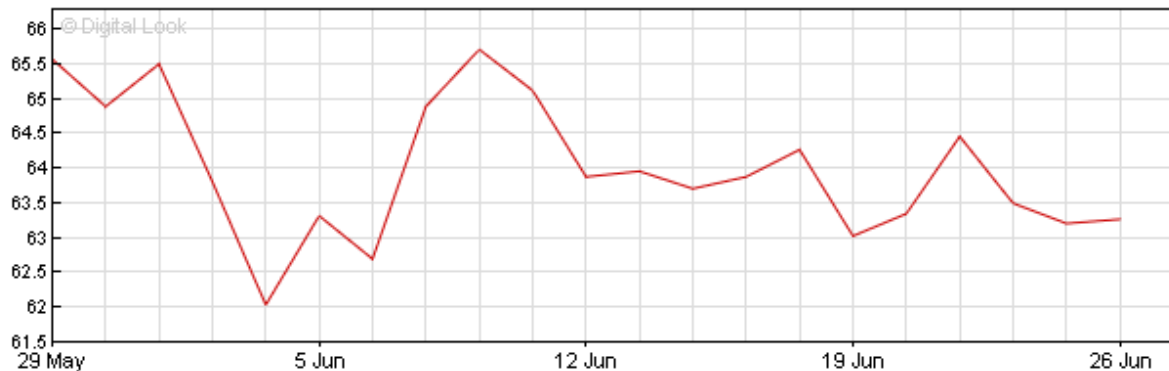
Highlights

- Australia's cotton crop, pegged at 520,000tons for the 2015/16 year, is under El nino threat with possibilities of reduced water allocation for irrigation.
- Pessimism and uncertainty loom over the cotton production by the largest exporter, U.S.A. heavy rains received over the last few weeks delayed the cotton plantings in the U.S. USDA will however release a report this week to indicate as to whether the farmers intentions to plant 9.5 million acres was achieved.
- Cotton prices for July delivery on the new York market were pegged at US\$0.6821/pound (\approx US\$1.50/kg) on 20th June, while Cotlook "A" index prices were pegged at US\$0.7250/pound (\approx US\$1.56/kg) by 15:29 CAT on 26th June 2015.

Crude oil

- The suspension of bank operations by the Greek Government has aided in keeping the cap on international crude oil prices. Greece has placed capital controls on its economy by shutting down its stock exchange and banks until 6th July and limiting the ATM withdrawal amount to 60 Euros. Greece has a total debt of 323 billion Euros and is likely to default payment of its debt to the International Monetary Fund (IMF) of 32 billion Euros. Failure of the Greek government to agree with IMF and EU to a bailout plan over the weekend caused panic in the financial markets as panic withdrawals of cash were made forcing the Grecian government to shut the banks and prevent financial collapse.
- Brent crude oil prices settled at US\$62.07/ barrel while WTI was pegged at US\$62.58/barrel on 29th June 2015.
- Oman's settlement price for August delivery was around US\$61.05/barrel in the early hours of 29th June 2015.

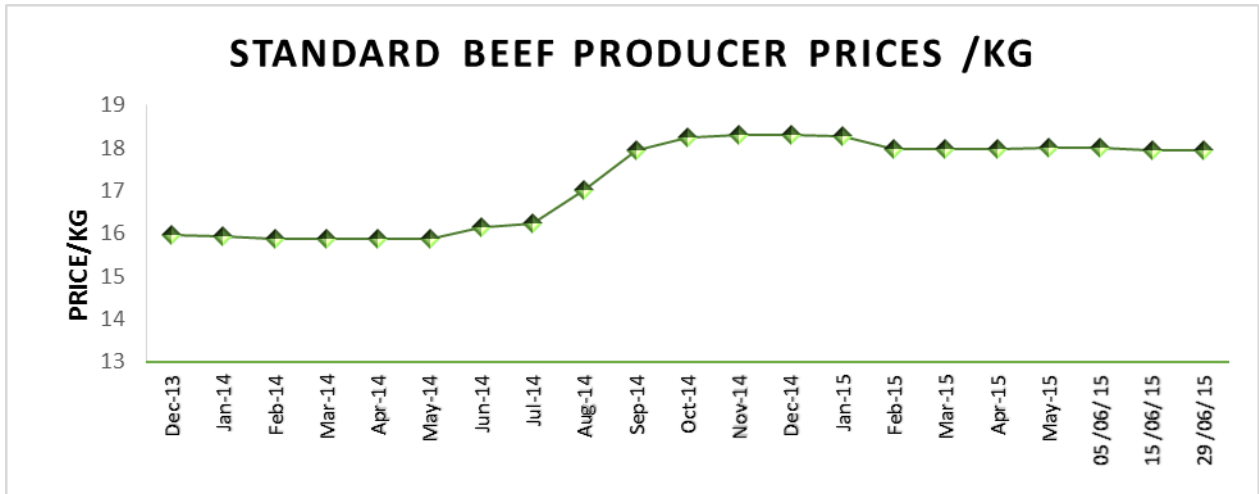
Brent Crude Oil Futures \$/barrel



Source: BBC Business, 2015

Beef

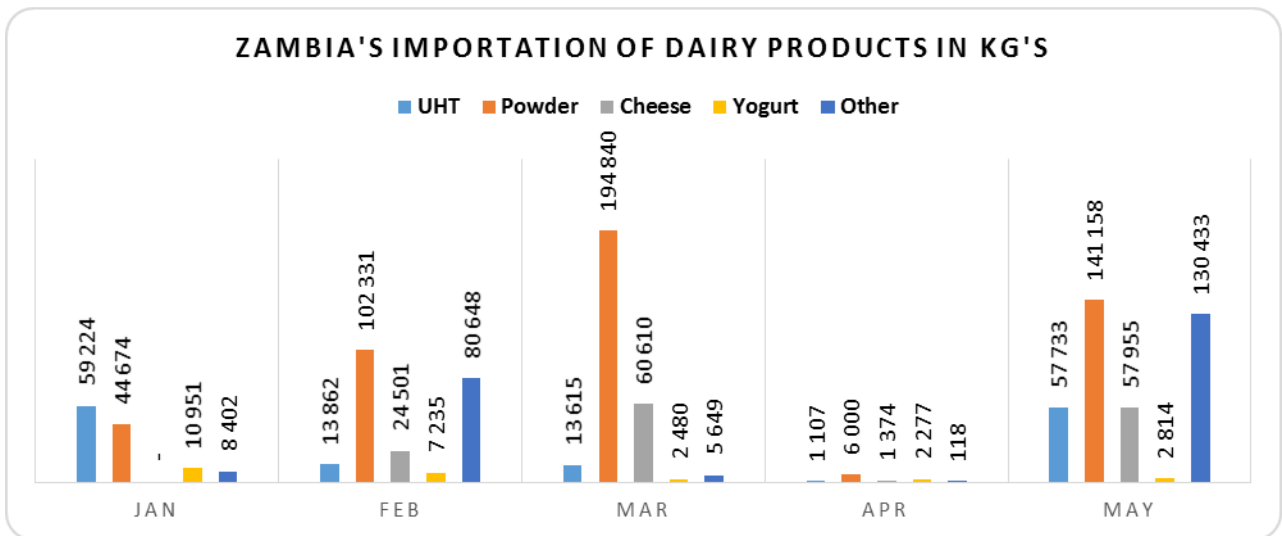
- As at 26th June 2015, the Namibian Meat Board was quoting the weaners and heifers auction prices at ZAR 17.13 (approx.ZMW10.45) and ZAR14.53 (approx.ZMW8.86) per kg respectively. On 29th June, Grade A beef in abattoirs was in the range of ZAR28.80 – 33.50 per kg (approx.ZMW17.56-20.44 per kg).
- According to the ZNFU market price information system, dressed weight beef offer prices by traders were averaging ZMW17.96/kg.



Dairy

Zambia's Importation of Dairy Products

Dairy products imported in Zambia during the first five months of 2015 cumulated to over one thousand metric tons valued at an estimated amount of K24.5million. This therefore implies that on average, K4.8million worth of dairy products are currently imported monthly representing 206 metric tons per month.



Data Source: ZRA

Dairy Products Prices-Lusaka and Copper belt

The table below highlights that the average price of a 500mls fresh milk sachet increased by 0.1% from K4.39 on 5th June 2015 to K4.4 on 26th June 2015 while that of 1litre fresh milk reduced by 5.1% from K9.98 to K 9.5. Average price of 250mls UHT milk increased by 19% from K2.96 to K3.7 during the period under consideration. The price for 500mls UHT milk reduced by 3% from K6.43 to K6.2 whereas that of a 500mls yogurt cup reduced by 7.9% from K10.46 to K9.7.

MILK PRODUCTS

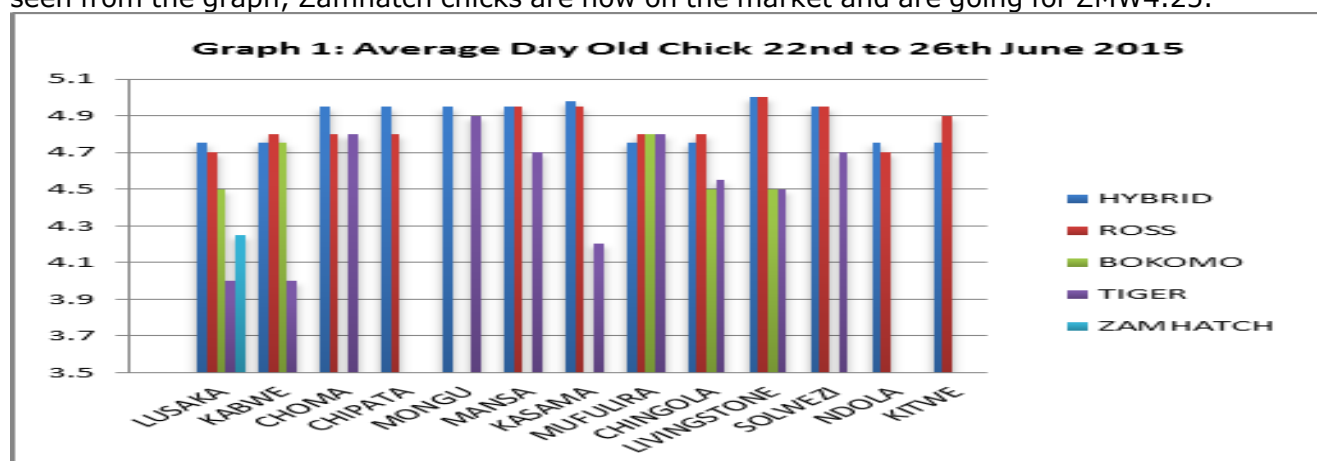
Ser.	PRODUCT	QUANTITY	AVERAGE PRICE 05.06.15	AVERAGE PRICE 26.06.15	VAR
1	FRESH MILK SACHET	500ml	4.39	4.4	0.1%
2	FRESH MILK	1Ltr	9.98	9.5	-5.1%
3	UHT MILK	250ml	2.96	3.7	19.9%
4	UHT MILK	500ml	6.43	6.2	-3.0%
5	YOGURT	100ml	2.9	3.2	9.6%
6	YOGURT	175ml	4.73	4.2	-11.4%
7	YOGURT	250ml	2.89	3.6	20.6%
8	YOGURT	500ml	10.46	9.7	-7.9%

Poultry

DOMESTIC POULTRY PRICES

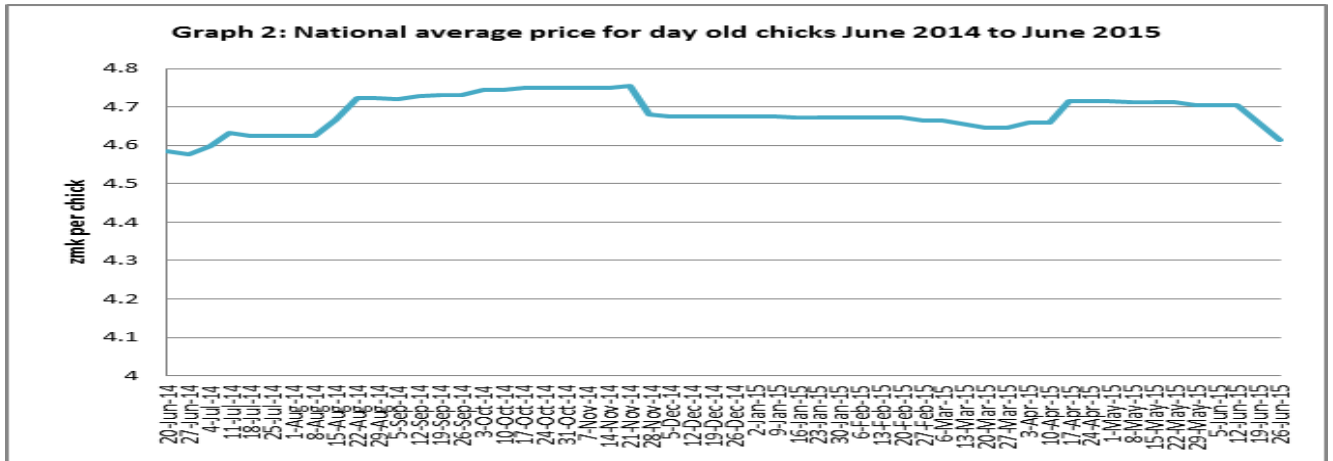
AVERAGE DAY OLD CHICK PRICES

Graph1 shows the price of different breeds of day old chicks in selected towns. As can be seen from the graph, Zamhatch chicks are now on the market and are going for ZMW4.25.



Source: Poultry Association of Zambia

Graph 2 shows the national average price trend for day old chicks from June 2014 to June 2015. The graph shows that the average national price of day old chicks has dropped to ZMW4.61. This is due to the Zamhatch chicks that have recently been introduced on the market at a lower price than most other brands on the market, thereby reducing the national average price of day old chicks.



Source: Poultry Association of Zambia

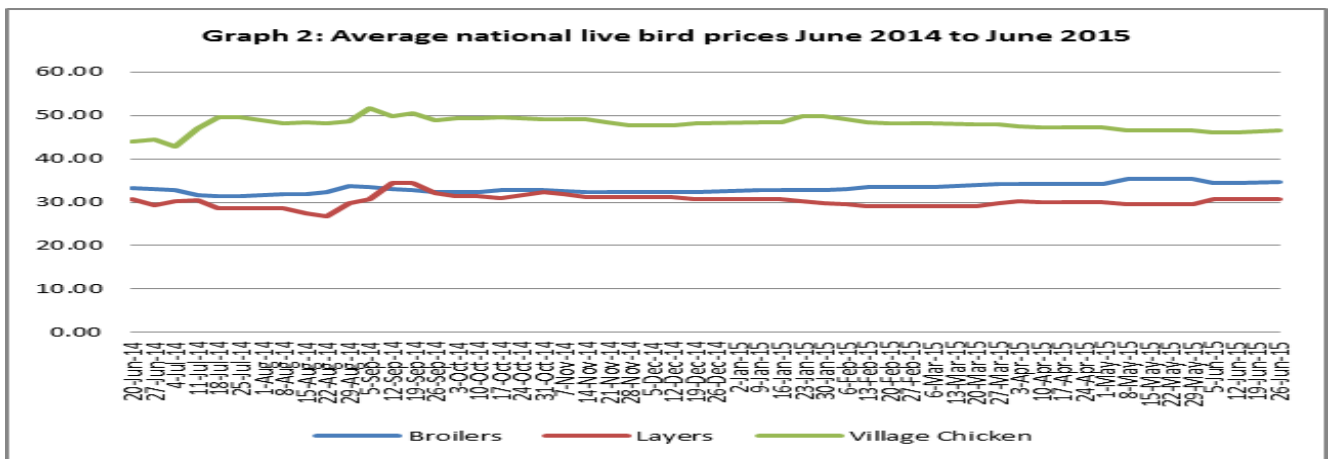
AVERAGE LIVE BIRDS PRICES

Graph1 below shows the average live bird prices in Lusaka, Choma, Kabwe, Chipata, Mongu Mansa, Mufulira, Chingola, Solwezi, Ndola, Kitwe and Livingstone. The average price of broilers and village chicken has risen from ZMW34 to ZMW36.5 and from ZMW35 to ZMW40 representing 7.4% and 14% price increase respectively.



Source: Poultry Association of Zambia

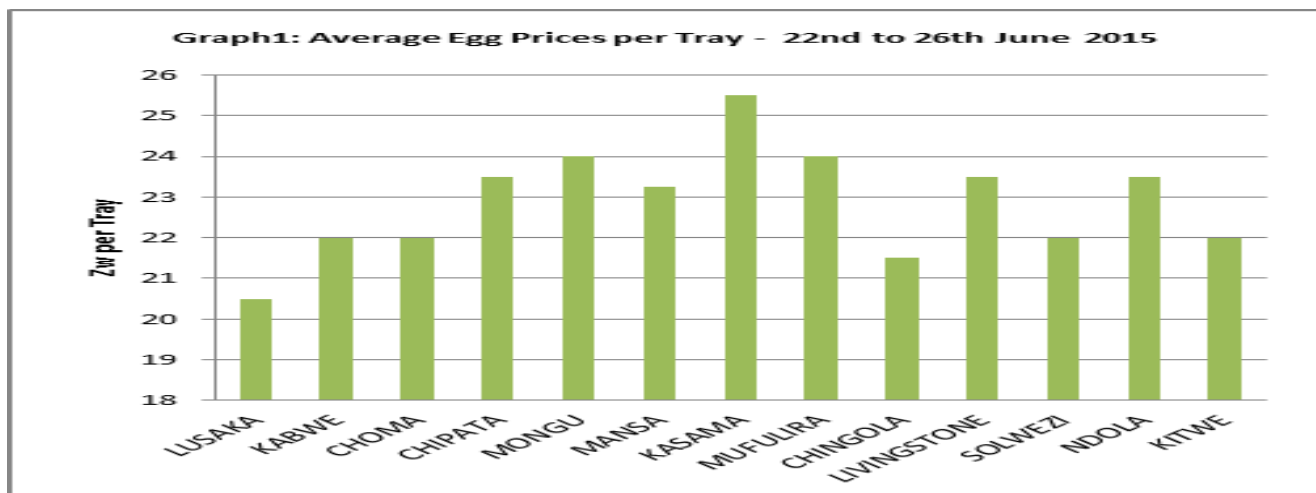
Graph 2 on the other hand shows the national average price trends for broilers, ex-layers and village chickens. The average national price of village chickens and broilers has slightly risen while the average national price of ex-layers has remained static.



Source: Poultry Association of Zambia

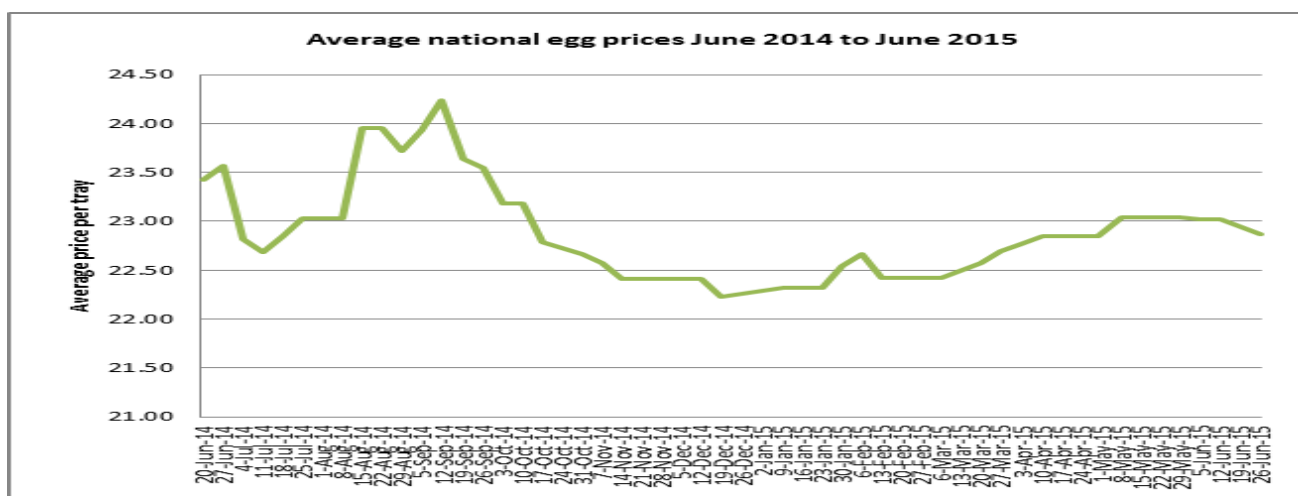
AVERAGE EGG PRICES

Graph1 below shows average retail prices of table eggs in selected provincial centres around the country. The average price of eggs in Choma dropped from ZMW24 to ZMW22 representing 8% price reduction.



Source: Poultry Association of Zambia

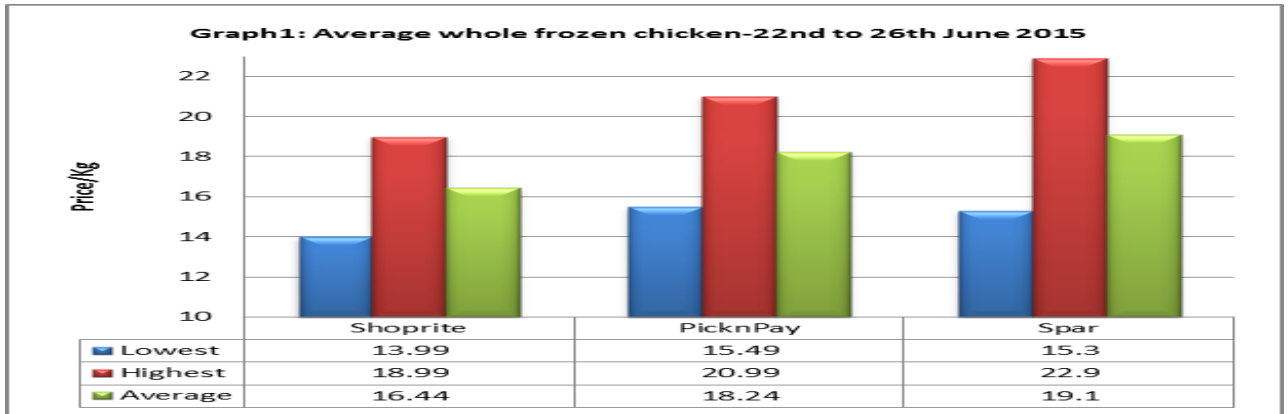
Graph 2 shows the price trend for a tray eggs from mid-June 2014 to June 2015. The graph shows that the national average price of eggs has slightly dropped from ZMW23.02 to ZMW22.87.



Source: Poultry Association of Zambia

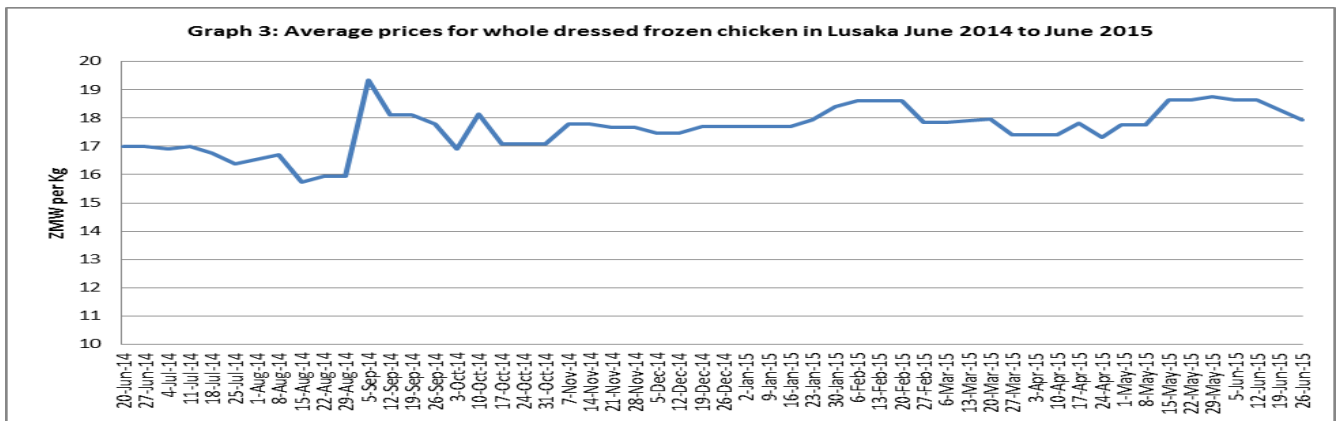
AVERAGE WHOLE DRESSED CHICKEN PRICES

Graph1 below shows average prices of whole frozen chickens in the three chain stores around in Lusaka. Shoprite had the lowest average price for frozen whole chickens at ZMW16.44 and Spar on the other hand had the highest average price at ZMW19.10. The average price for frozen whole chicken in Pick n' Pay was ZMW18.24 with the lowest and highest going for ZMW15.49 and ZMW20.99 respectively.



Source: Poultry Association of Zambia

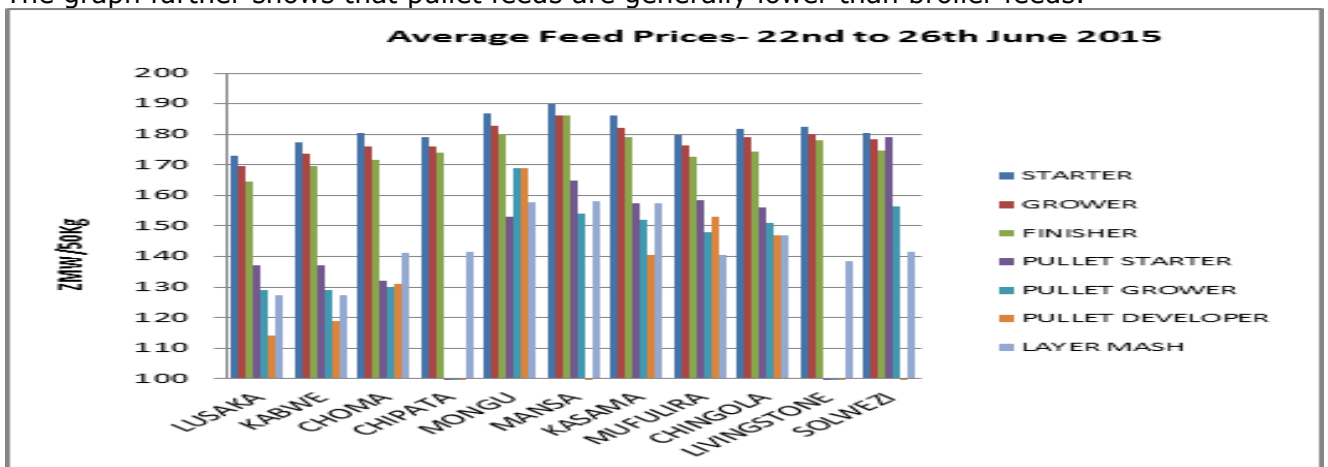
Graph 2 shows the average price trend for whole frozen dressed chicken in Lusaka from June 2014 – June 2015. The average price of frozen whole chicken has dropped to ZMW17.93.



Source: Poultry Association of Zambia

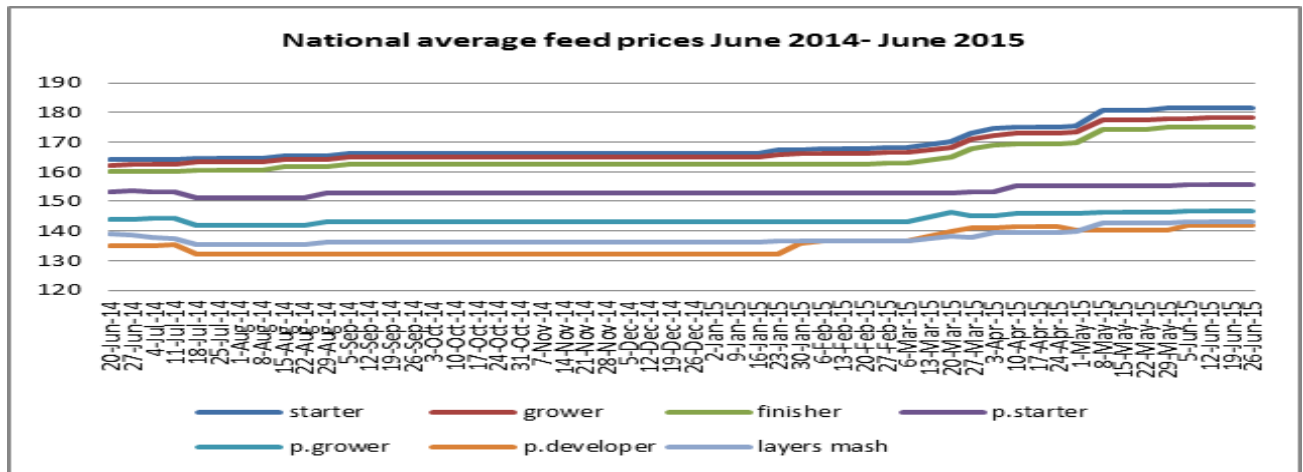
AVERAGE FEED PRICES

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 June 2015. The graph shows that average national price of most feeds has been static for over a month.



Source: Poultry Association of Zambia

ALERTS!!!

CALL FOR TAX AND NON-TAX PROPOSALS FOR THE 2016 NATIONAL BUDGET

Once again it is that time of the year when the Ministry of Finance calls for tax and non-tax proposals from the general public for the 2016 National Budget scheduled to be presented in parliament by government in October 2016.

In preparation for this, the Union is requesting members to submit tax and non-tax proposals for consideration in the 2016 National Budget. For tax measures that would entail revenue loss by government kindly indicate possible compensatory measures to cover for the lost revenue so as to enhance the chances of our proposals being accepted by Ministry of Finance Officials.

We would be happy to receive your submissions by Friday 17th July 2015. Send your submissions to judy.hamonzwe@znfu.org.zm or simply by return email.

Look out for the Zambian Farmer TV Programme every Monday at 18:25 hours on ZNBC TV1