



# THE WEEKLY AGRO WATCH



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14<sup>th</sup> July, 2015 Vol.27

## Industry Updates

### In This Week's Issue:

- *FRA Current maize stocks at 393,393 MT.*
- *FRA to buy maize only in 4 provinces this year*
- *Call For Tax and Non Tax Proposals for 2015 National Budget Deadline is 17<sup>th</sup> July 2015*

### Diesel and petrol Prices hit K8.59 and K9.87 respectively.

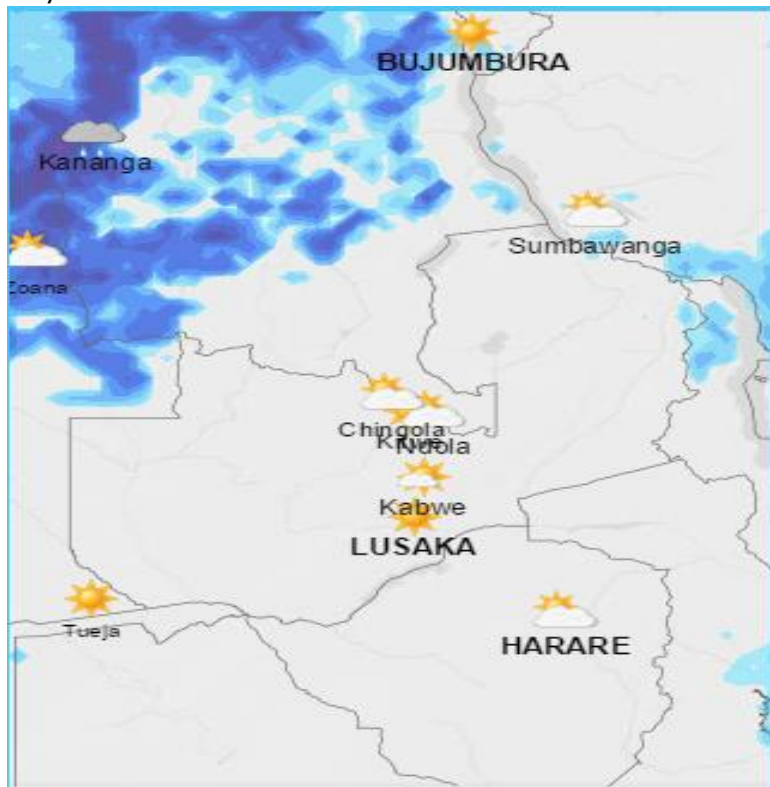
The Energy Regulation Board (ERB) has adjusted the pump price of petroleum products by K1.13 for petrol; K1.00 for diesel; K0.72 for kerosene and has maintained the price of low sulphur diesel (diesel), effective midnight of 13th July 2015. Consequently, the prices will now be as follows: Diesel pump price increases to K8.59 from K7.59; while Petrol pump price increases to K9.87 from K8.74. The ERB attributes the increase in oil prices to depreciation of the local currency (Kwacha) against major convertible currencies such as the US dollar. This is despite the fact that crude oil prices on the world market have continued to fall currently at US\$56.76 per barrel.

## Exchanges Rates

CURRENCY	14/07/2015						08/07/2015					
	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)	7.73	7.89	0.63	0.64	11.91	12.24	7.68	7.83	0.62	0.63	11.86	12.10
Standard Chartered Bank	7.73	7.88	0.63	0.64	12.01	12.25	7.50	7.64	0.60	0.61	11.59	11.82
ZANACO	7.73	7.89	0.62	0.63	11.91	12.21	7.68	7.83	0.61	0.62	-	-
Bank of Zambia (BOZ)interbank	7.80	7.81	0.62	0.63	12.11	12.14	7.71	7.73	0.62	0.62	11.85	11.85

## Weather Forecast

The table summarizes the weather forecast for some selected towns for the period 15<sup>th</sup> July- 20<sup>th</sup> July 2015.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> <li>➤ The 15<sup>th</sup> to 20<sup>th</sup> are forecast to have mostly clear sunny skies with light to gentle breeze.</li> <li>➤ Average daily Temps: 12-26<sup>o</sup>C</li> </ul>
Mkushi	<ul style="list-style-type: none"> <li>➤ The 15<sup>th</sup> to 20<sup>th</sup> are forecast to have mostly clear sunny skies with light to gentle breeze.</li> <li>➤ Average daily Temps: 12-26<sup>o</sup>C</li> </ul>
Kabwe	<ul style="list-style-type: none"> <li>➤ The 15<sup>th</sup> to 20<sup>th</sup> are forecast to have mostly clear skies while Wednesday is expected to have a fair sky.</li> <li>➤ Average daily Temps:12-26<sup>o</sup>C</li> </ul>
Lusaka	<ul style="list-style-type: none"> <li>➤ The 15<sup>th</sup> to 20<sup>th</sup> are forecast to have mostly clear skies.</li> <li>➤ Average daily Temps:12-25<sup>o</sup>C</li> </ul>
Mazabuka	<ul style="list-style-type: none"> <li>➤ 15<sup>th</sup> to 20<sup>th</sup> will mostly have clear skies with light to gentle winds. Average temperatures will be</li> </ul>

	<ul style="list-style-type: none"> <li>➤ increasing towards the weekend</li> <li>➤ Average daily Temps: 13-28<sup>o</sup>C.</li> </ul>
Choma	<ul style="list-style-type: none"> <li>➤ 15<sup>th</sup> to 20<sup>th</sup> will mostly have clear skies with light to gentle winds.</li> <li>➤ Average daily Temps: 10-26<sup>o</sup>C</li> </ul>
Livingstone	<ul style="list-style-type: none"> <li>➤ 15<sup>th</sup> to 20<sup>th</sup> will mostly have clear skies with mainly light winds.</li> <li>➤ Average daily Temps: 11-29<sup>o</sup>C.</li> </ul>
Mongu	<ul style="list-style-type: none"> <li>➤ The 15<sup>th</sup> to 20<sup>th</sup> are forecast to have mostly clear sunny skies with light to gentle breeze.</li> <li>➤ Average daily Temps: 13-30<sup>o</sup>C</li> </ul>
Mansa	<ul style="list-style-type: none"> <li>➤ The 15<sup>th</sup> to 20<sup>th</sup> are forecast to have mostly clear sunny skies with light to gentle breeze.</li> <li>➤ Average daily Temps: 13-27<sup>o</sup>C</li> </ul>
Kasama	<ul style="list-style-type: none"> <li>➤ Clear skies are forecast for the 15<sup>th</sup> to 20<sup>th</sup> July.</li> <li>➤ Average daily Temps: 23-27<sup>o</sup>C.</li> </ul>
Solwezi	<ul style="list-style-type: none"> <li>➤ The week will mostly have clear sunny skies.</li> <li>➤ Average daily Temps: 12-28<sup>o</sup>C.</li> </ul>
Chipata	<ul style="list-style-type: none"> <li>➤ The 15<sup>th</sup> to 20<sup>th</sup> are forecast to have mostly clear skies.</li> <li>➤ Average daily Temps:14-27<sup>o</sup>C</li> </ul>

Source: Norway meteorological Institute

## Parity prices

The following import parity/export prices were compiled by ZNFU as at 14<sup>th</sup> July, 2015

### Import Parity Prices in US\$/t (Joburg-Lusaka)

#### Domestic Import Parity Prices as at 14/07/2015

US\$/ZAR=12.48 US\$/ZMK=7.90

Parity Prices		U\$/ZMK	Maize	Soya	Wheat
Lusaka		7.9	484.43	597.09	506.26
	<b>Ex-Lusaka freight (ZMK)</b>				
Town		\$	\$	\$	\$
Chipata	275	34.81	519.24	631.90	541.07
Mkushi	225	28.48	512.91	625.57	534.74
Ndola	250	31.65	516.08	628.74	537.91
Kitwe	250	31.65	516.08	628.74	537.91

### Export Parity Prices in US\$ /

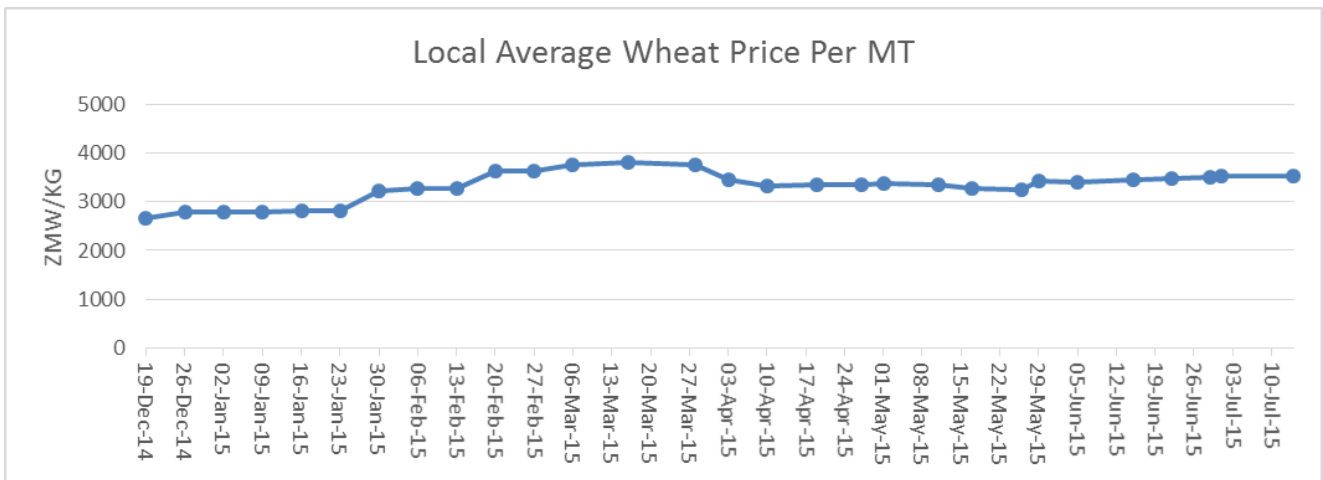
Export Parity Price Ranges (EPP) Harare-Lusaka	
<b>Soya Beans</b>	<b>447-505</b>
<b>Wheat</b>	<b>349-427</b>
<b>Maize</b>	<b>232-320</b>

## COMMODITY HIGHLIGHTS

### Wheat

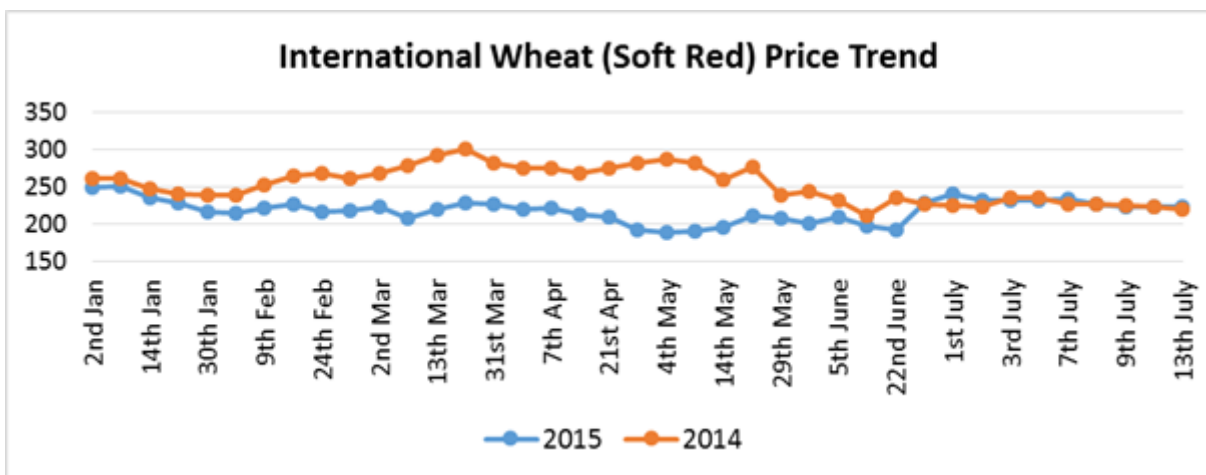
#### Highlights

- The USDA has raised wheat supplies for 2015/2016 by 12.1 million metric tons due to increased beginning stocks in China which have been raised to 11.4 million metric tons.
- Total world production was raised to 722.0 million metric tons, which is still lower from last year's record but still the largest.
- On the local scene, Wheat prices have continued to move sideways with an average price of USD 470 /Mt ex-mill delivered to Lusaka being recorded last week.



### Price trends

International prices on Safex for soft red and hard red wheat averaged US\$223.84/ton and US\$224.20/ton respectively as of 13 July 2015. Soft red wheat average prices were about US\$223.84/ton same time in 2014 while the hard red wheat posted a reduction in average prices of about 21% when compared to same time last year. All prices are fob US gulf.

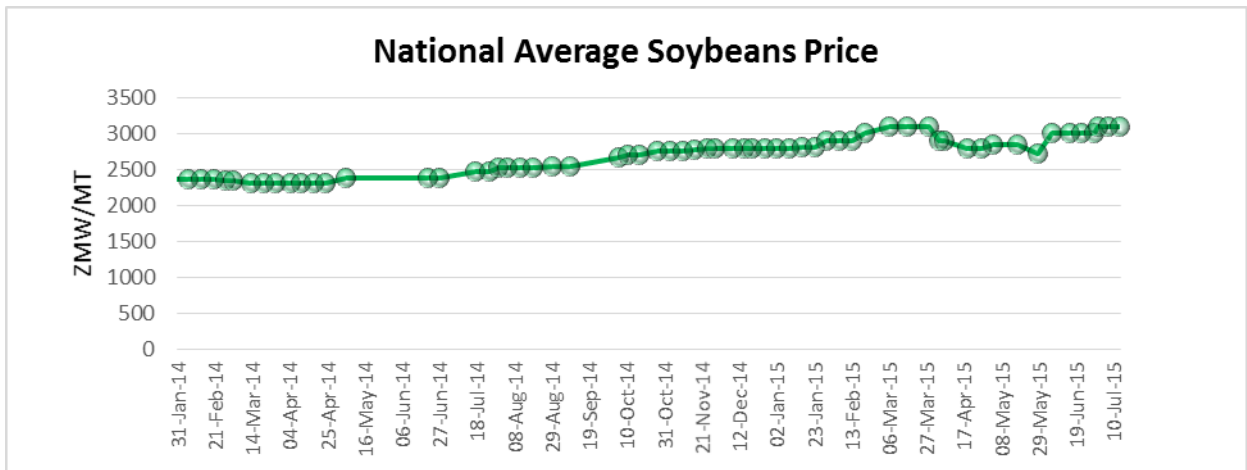


Source: Safex

## Soya Beans

### Highlights

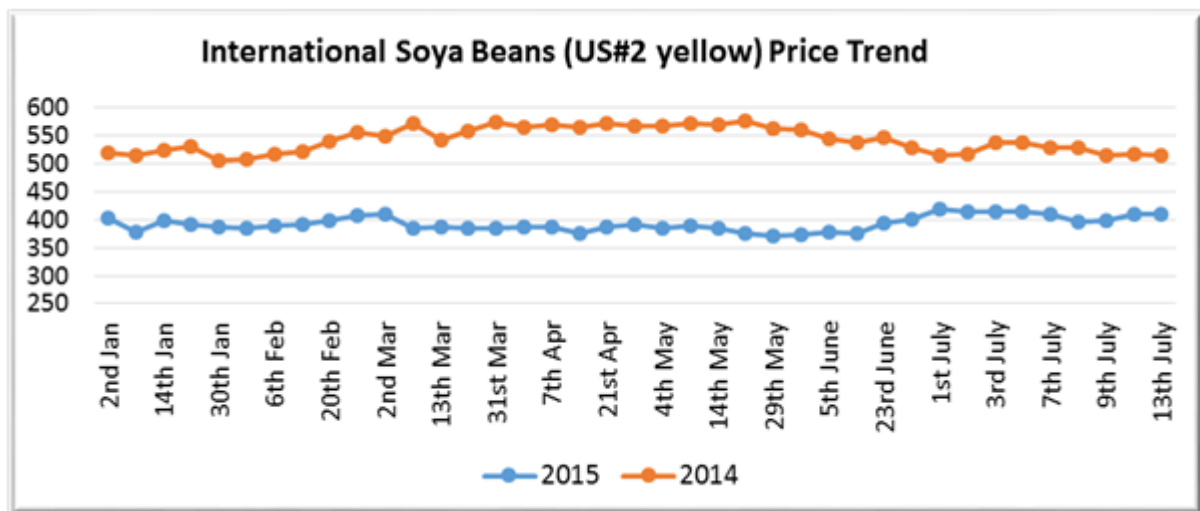
- Global soya beans production is projected at 318.9 million tons, up 1.3 million tons largely due to higher production in the USA and Bolivia.
- CBOT soya beans futures prices for September-15 delivery settled around US\$377.72/MT compared to US\$368.17/MT for July delivery.
- Demand for soybeans on the local market has continued to soar with the commodity now fetching a national average price of K3100/MT. Prices delivered to Lusaka for the oilseed are pegged at K3700/Mt as shown in the graph below.



Source: ZNFU 4455 System

### Price trends

International prices of US No. 2 yellow soya beans on Safex traded an average of US 403.9/ton during the week as of 13<sup>th</sup> July, lower by 22% when compared to the same time last year. All prices are fob US gulf.



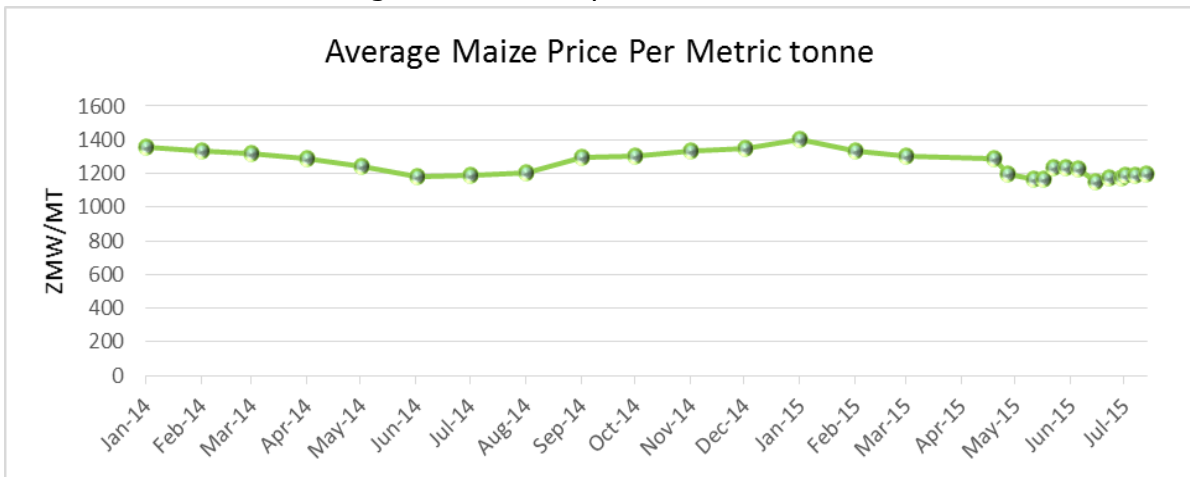
Source: Safex

## Maize

### Highlights

- The US white maize spot market traded 5.98% higher at an average of US\$ 167.11/t over the past week. The maize condition went from 71% to 68% good over the last 7 days. The bullish acreage and stocks estimates released by the USDA added support to the maize price.
- In Zambia, the Permanent Secretary for Ministry of Agriculture and Livestock has maintained that Government would only purchase 500,000MT of maize for the Strategic Reserve.
- Ministry of Agriculture has urged farmers to take advantage of private sector maize buyers as opposed to waiting for FRA floor price.

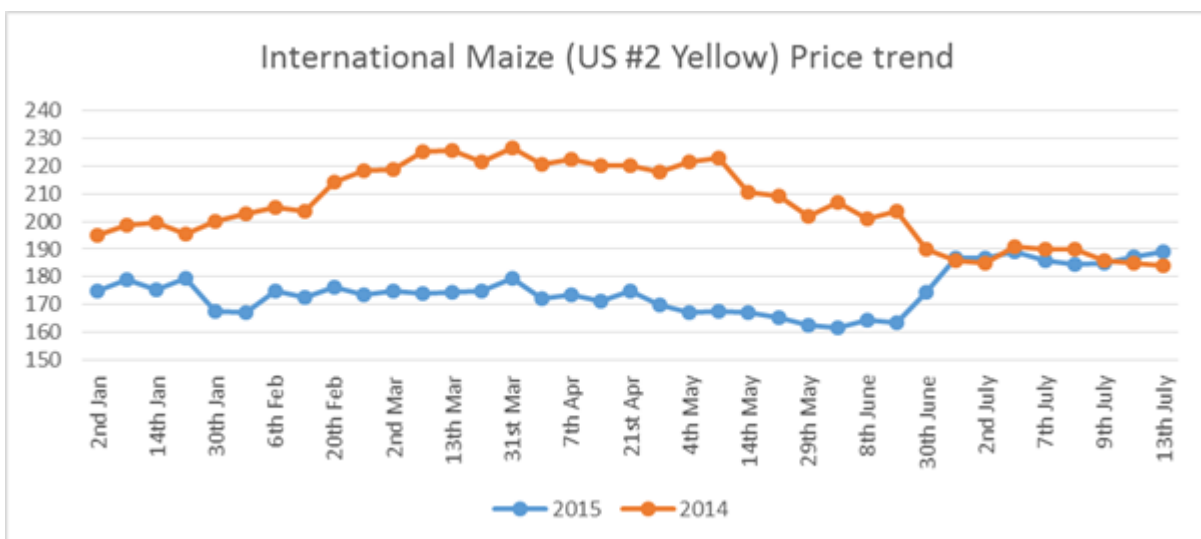
- FRA has reported that current maize stocks for strategic reserve stands at 393,393MT, and that the Agency will only buy maize in 4 provinces namely: Luapula; Muchinga; North Western and Northern Provinces. FRA indicated that the above provinces are not adequately covered by the private sector buyers compared to other provinces along the line of rail.
- Local average maize price have continued to strengthen backed by the strong demand and limited supply of the commodity. The grain average price for the previous week was pegged at K1, 195/Mt. Prices of the commodity delivered to Lusaka are now averaging K1450/MT. The graph below shows average local maize price trends.



Source ZNFU 4455

### Price trends

During the week ending 13<sup>th</sup> July 2015, international maize fob prices as recorded by Safex averaged US\$ 186/ton compared to US\$ 183.91/ton the previous week.

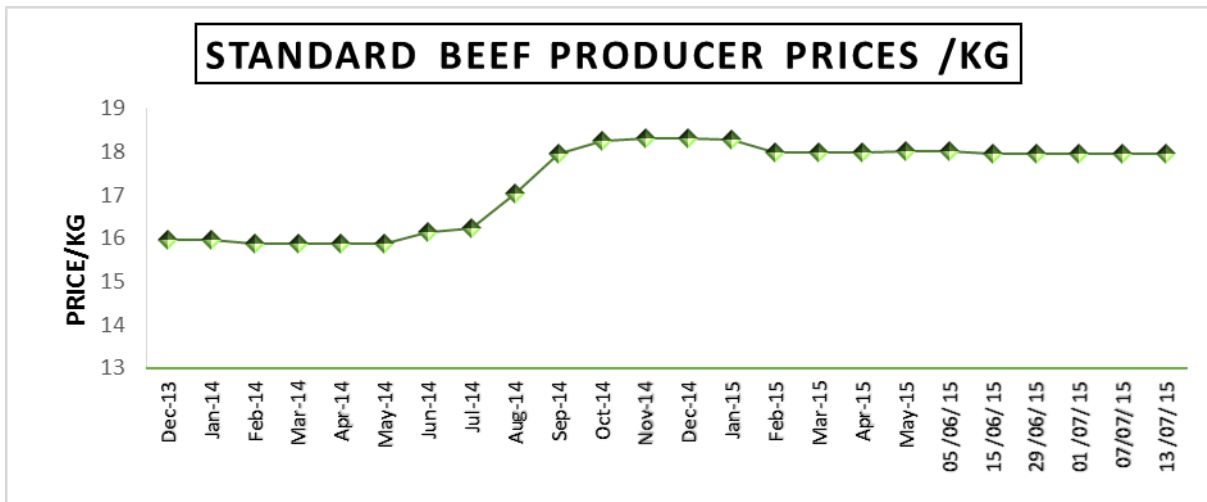


Source: Safex

## Beef

### Highlights

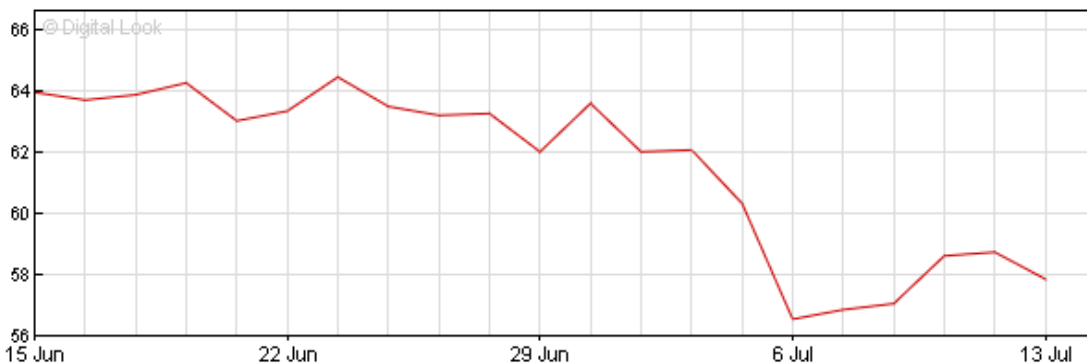
- Internationally, reduced supplies out of New Zealand and Australia, and lower US production are expected to continue to support prices.
- South African beef prices are expected to trade sideways to downwards in the short term, as a result of good supplies during this period and limited demand for some cuts.
- On the local market, standard beef producer prices have continued to move sideways around K18/Kg as shown below.



## Crude Oil

### Highlights

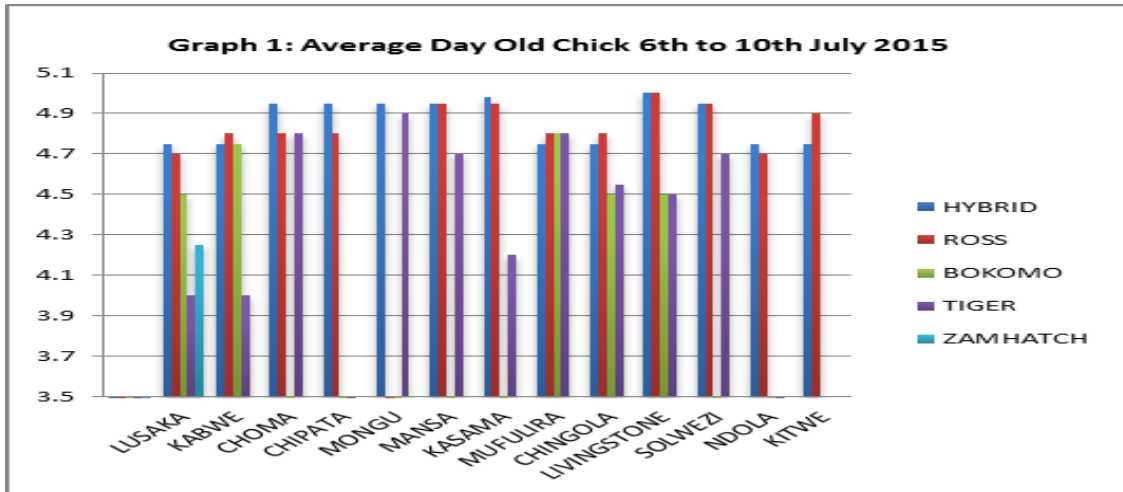
- Brent crude oil slipped nearly by 2% to reach US56.76 per barrel largely attributed to the deal on nuclear power between Iran and the world powers led by the United States of America. This means that Iran could start increasing oil exports, adding to an already oversupplied market.
- The table below shows the crude oil trends following the announcement of a nuclear deal between Iran and world powers.



## DOMESTIC POULTRY PRICES

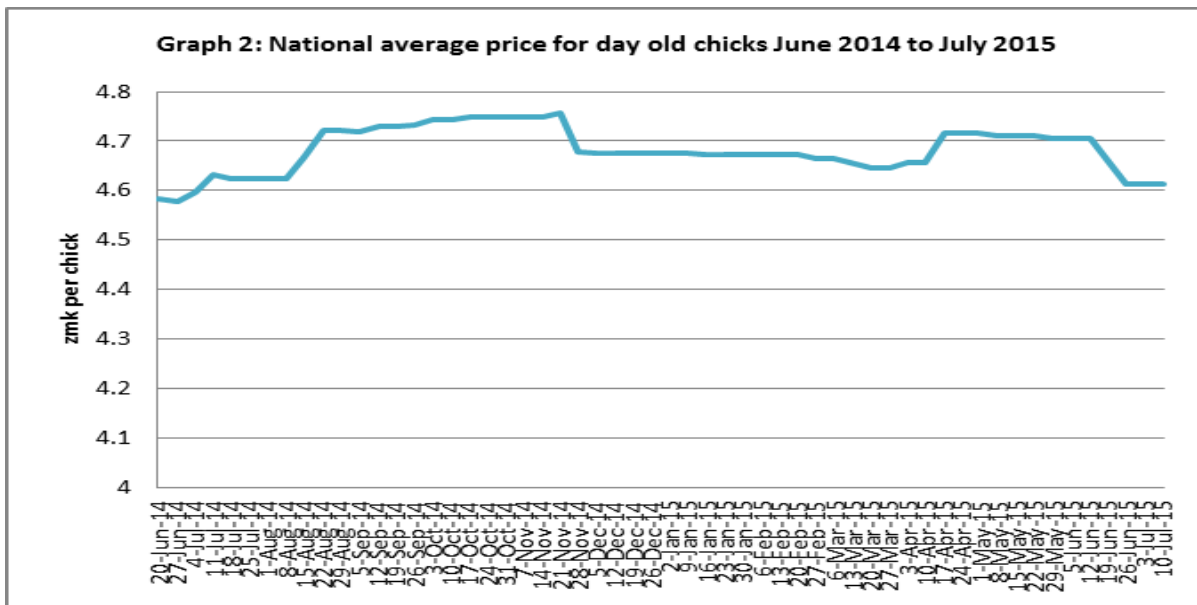
## AVERAGE DAY OLD CHICK PRICES

**Graph1** shows the price of different breeds 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.



Source: Poultry Association of Zambia

**Graph 2** shows the national average price trend for day old chicks from June 2014 to July 2015. The graph shows that the average national price of day old chicks as of 10<sup>th</sup> July 2015 is ZMW4.61.

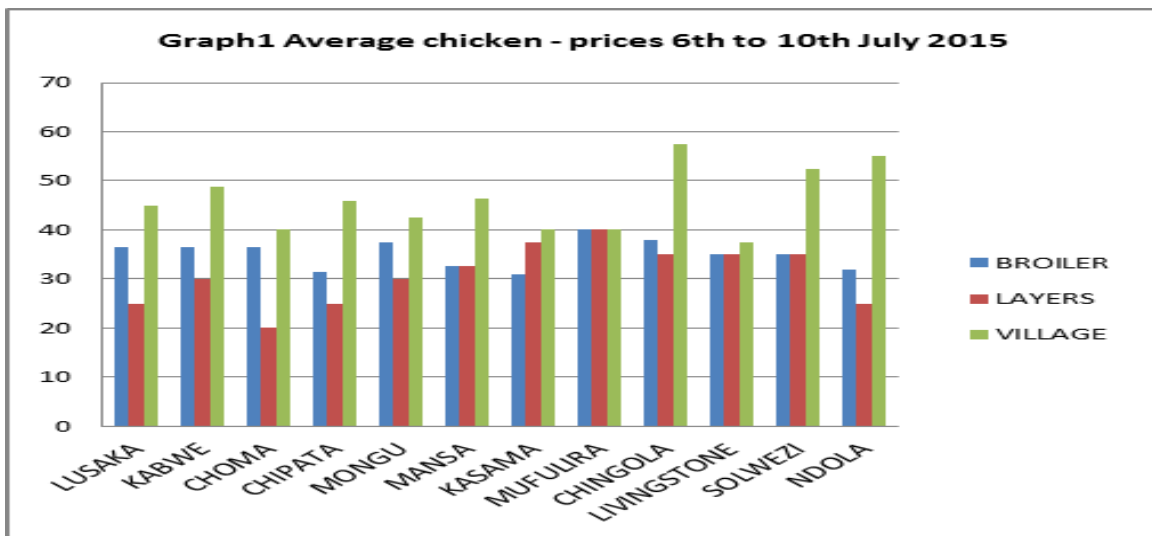


Source: Poultry Association of Zambia

## AVERAGE LIVE BIRDS PRICES

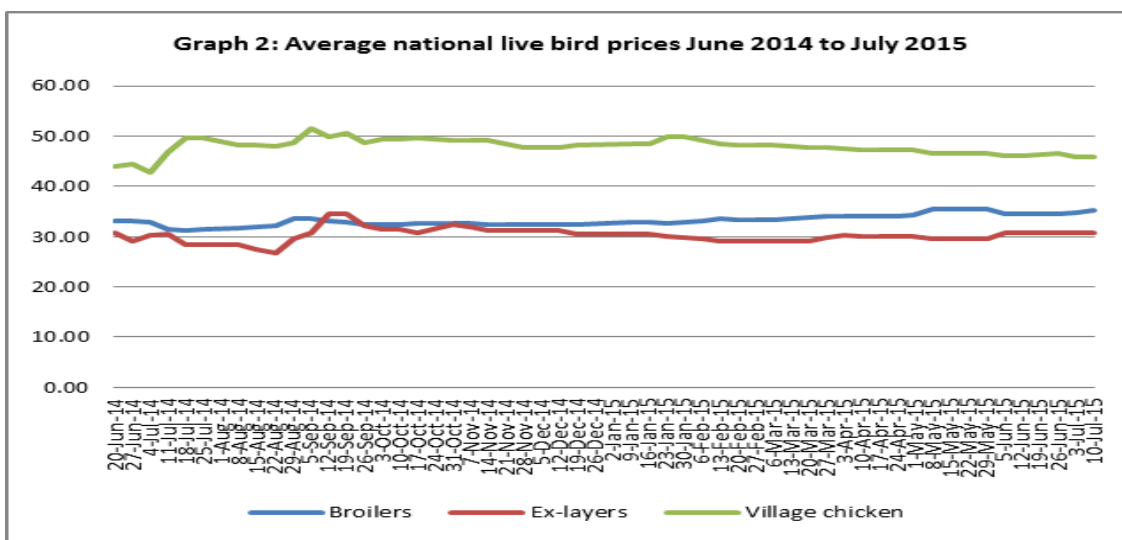
**Graph1** below shows the average live bird prices in Lusaka, Choma, Kabwe, Chipata, Mongu Mansa, Mufulira, Chingola, Solwezi, Ndola, Kitwe and Livingstone. The average price of broiler live birds in Lusaka has risen from ZMW32.5 to ZMW36.5 representing a 12% increase in price. This can be attributed to an increase in the cost of production as well as the prevailing low temperatures.





Source: Poultry Association of Zambia

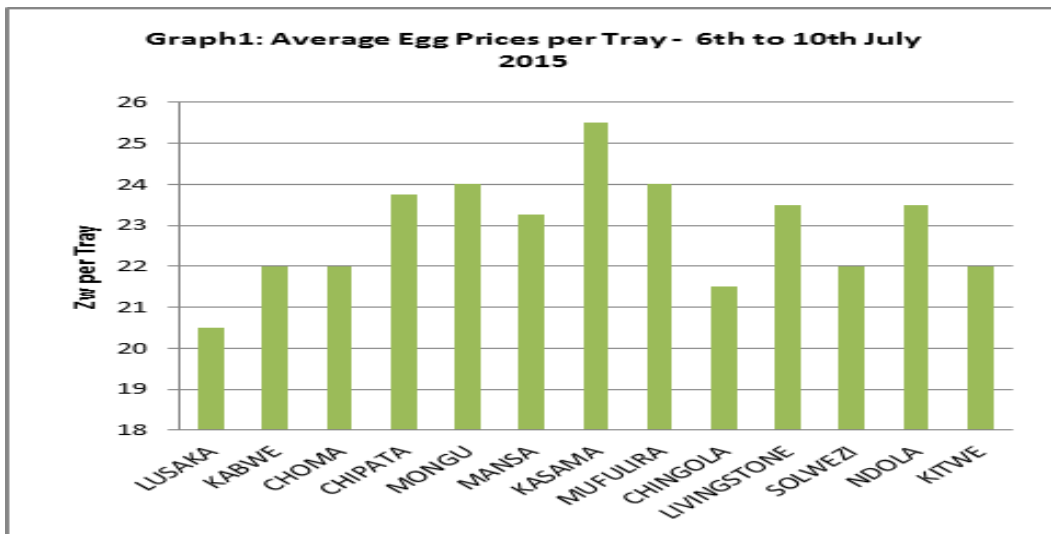
**Graph 2** below shows the national average price trends for broilers, ex-layers and village chickens. The graph shows that while the average national price of broilers has slightly risen, the average national price of village chicken and ex-layers has been static since 3<sup>rd</sup> July 2015.



Source: Poultry Association of Zambia

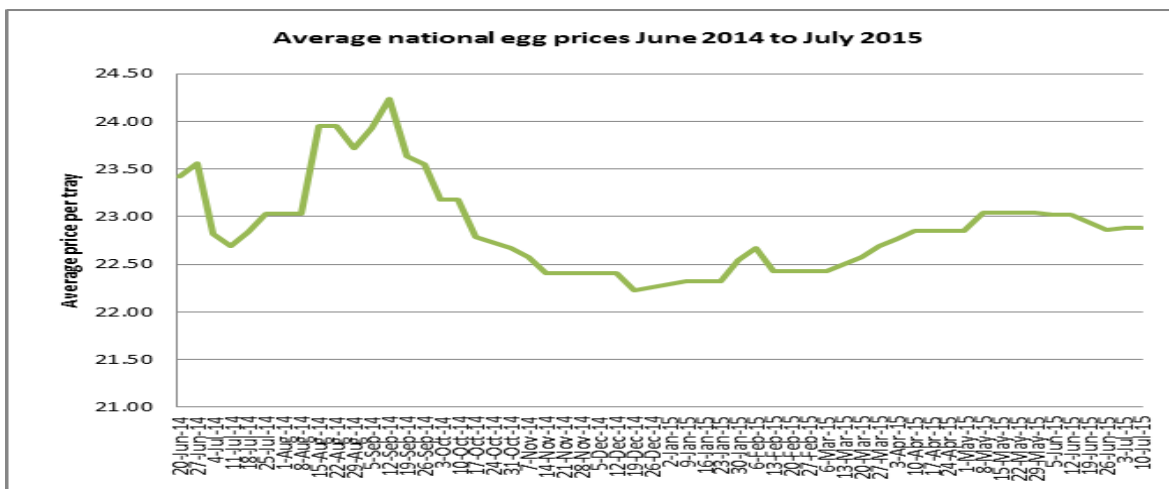
**AVERAGE EGG PRICES**

**Graph1** below shows average retail prices of table eggs in selected provincial centres around the country. Lusaka is posting lowest prices for a tray of eggs while Kasama is posting highest prices as shown in the graph below.



Source: Poultry Association of Zambia

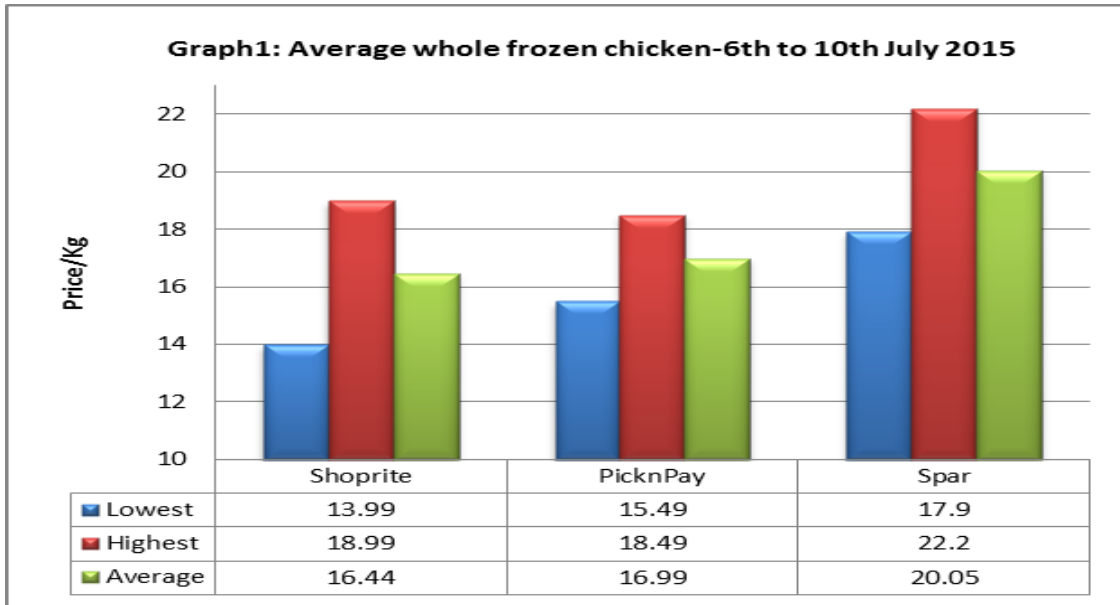
The graph below shows the price trend for a tray of eggs from mid-June 2014 to July 2015. The graph shows that the national average price of eggs as of 10<sup>th</sup> July 2015 is ZMW22.88.



Source: Poultry Association of Zambia

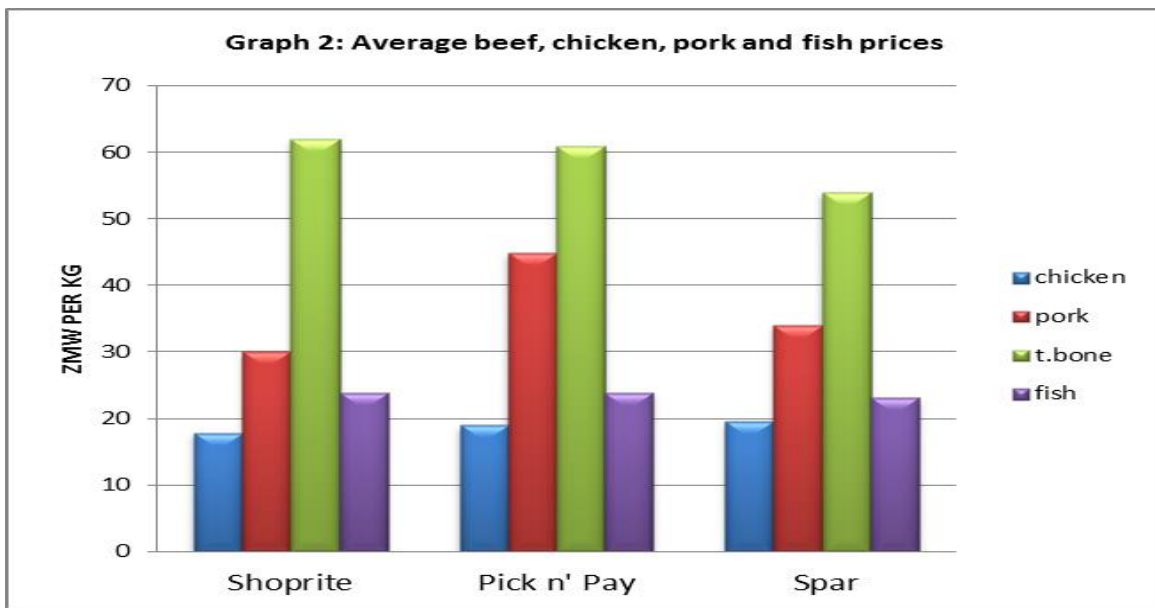
### AVERAGE WHOLE DRESSED CHICKEN PRICES

**Graph1** below shows average prices per kilogram of whole frozen chickens in the three chain stores around in Lusaka. The average price for frozen whole chickens/kg in Shoprite is ZMW16.44 with the lowest going for ZMW13.99 and the highest going for ZMW18.99. On the other hand, the average price in Spar/kg is ZMW20.05 with the lowest and highest priced frozen whole chicken going for ZMW17.90 and ZMW22.20 respectively. The average price for frozen whole chicken in Pick n' Pay/kg is ZMW16.99 with the lowest and highest going for ZMW15.49 and ZMW18.49 respectively.



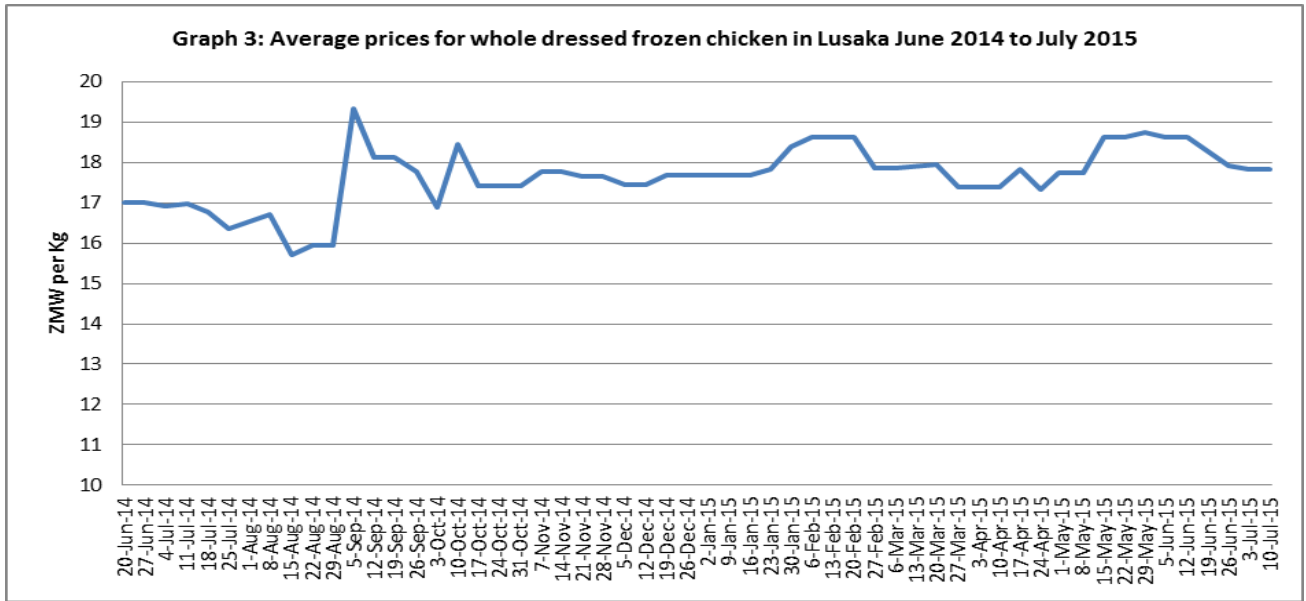
Source: Poultry Association of Zambia

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



Source: Poultry Association of Zambia

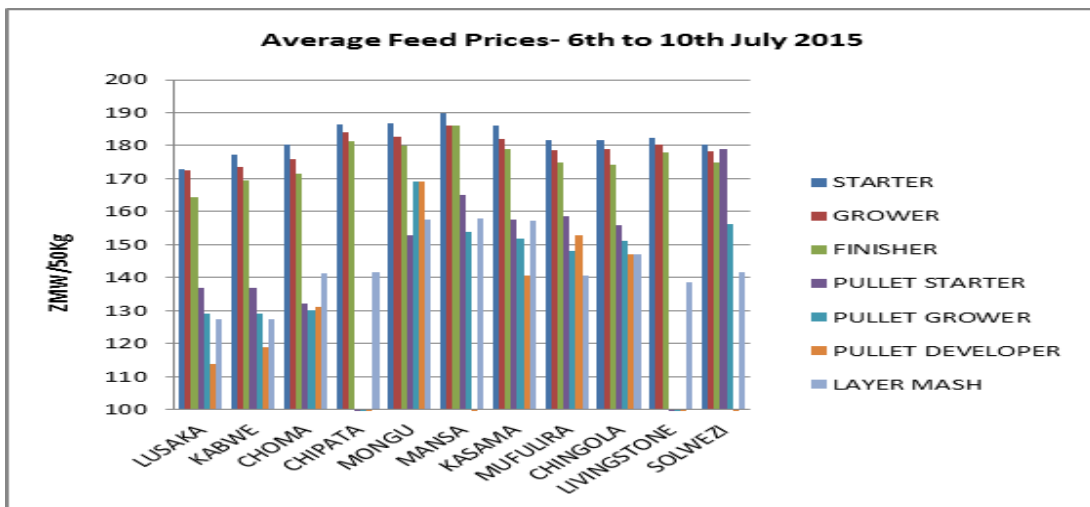
**Graph3** shows the average price trend for whole frozen dressed chicken in Lusaka from June 2014 – July 2015. The average price of frozen whole chicken as of 10<sup>th</sup> July 2015 is ZMW17.83



Source: Poultry Association of Zambia

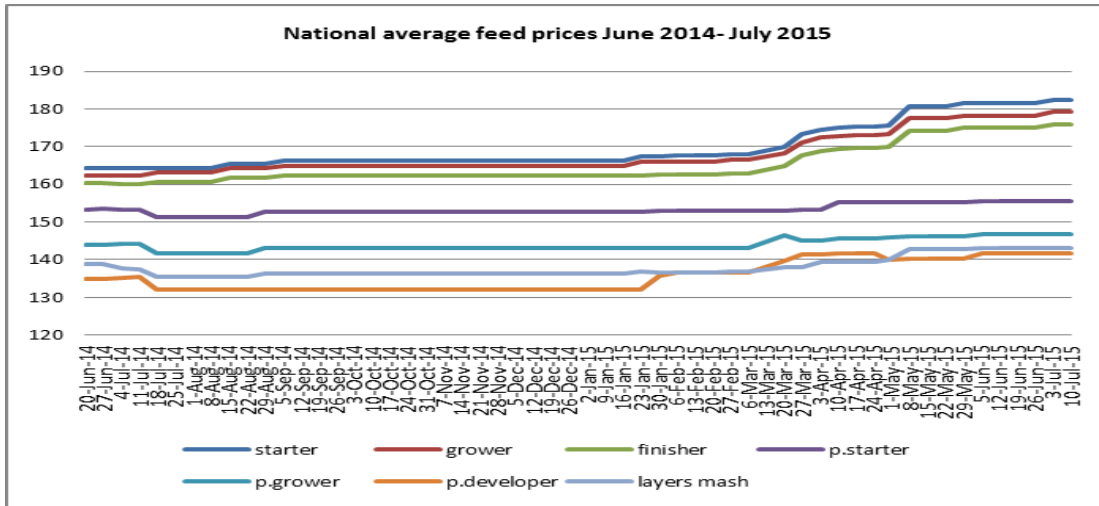
**AVERAGE FEED PRICES**

**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 Mansa. 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 July 2015. The graph shows that average national price of most feed have stabilised over the past month.



Source: Poultry Association of Zambia

## ANNOUNCEMENTS!

### 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.

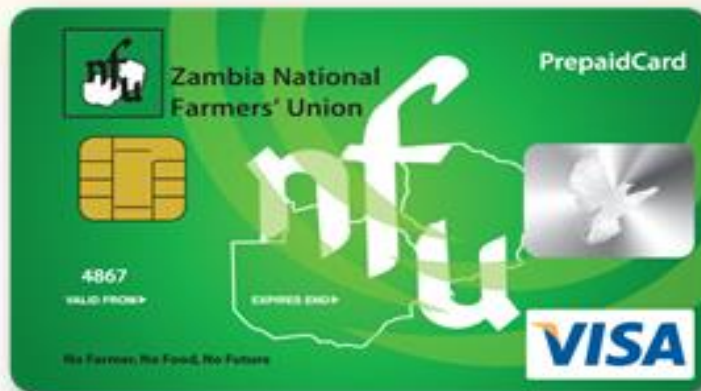
We would be happy to receive your submissions by **Friday 17th July 2015**. **Send your submissions to [judy.hamonzwe@znfu.org.zm](mailto:judy.hamonzwe@znfu.org.zm) or simply by return email.**

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

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