



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

4th October, 2015 Vol.39

ZAMBIA NATIONAL FARMERS' UNION
ANNUAL CONGRESS
110th
THEME: GROWTH THROUGH AGRI-FINANCE AND TECHNOLOGY
No farmer No food No future

Industry Updates

Trans- Pacific Free Trade Deal Reached

The USA, Japan and 10 other trans-pacific countries agreed on the largest regional trade deal. After five years of negotiations, the Trans-Pacific Partnership cuts trade tariffs and sets common standards in trade for 12 Pacific Rim countries. The partnership which was signed in Atlanta USA on 5th October 2015 covers about 40 percent of the world economy. The agreement is anticipated to level the playing field of the participating countries by eliminating the more than 18,000 taxes in place over products of agriculture, manufacturing and other industries. Agriculture was however one of the sticky points of the negotiations with Canada fighting to keep access to its domestic dairy and poultry industries limited whilst New Zealand wanted more market access into Canada, Mexico and the USA. The next step is for the lawmakers in the 12 countries involved to ratify the agreement. Apart from the USA and Japan, the other countries part of the Trans-Pacific Trade deal are Australia, Brunei, Singapore, Malaysia, Vietnam, Canada, Mexico, Peru, Chile and New Zealand. Though not currently part of the deal, China is anticipated to join the Trans-Pacific Free Trade Agreement.

ZNFU CORPORATE SPONSORS



Exchange Rates

| CURRENCY | 06/10/2015 | | | | | | 28/09/2015 | | | | | |
|----------------------------------|------------|-------|-------|-------|----------|-------|------------|-------|-------|-------|----------|-------|
| | US Dollar | | RAND | | GB Pound | | US Dollar | | RAND | | GB Pound | |
| | Bid | Offer | Bid | Offer | Bid | Offer | Bid | Offer | Bid | Offer | Bid | Offer |
| FNB | 12.07 | 12.32 | 0.89 | 0.91 | 18.28 | 18.65 | 12.43 | 12.68 | 0.89 | 0.91 | 18.86 | 19.24 |
| Standard Chartered Bank | 12.08 | 12.32 | 0.89 | 0.91 | 18.31 | 18.67 | 12.43 | 12.68 | 0.88 | 0.90 | 18.89 | 19.25 |
| ZANACO | 12.09 | 12.34 | 0.89 | 0.91 | 18.24 | 18.71 | 12.60 | 12.68 | 0.88 | 0.90 | 18.76 | 19.24 |
| Bank of Zambia (05/10/15) | 12.24 | 12.26 | 0.895 | 0.898 | 18.57 | 18.60 | 11.60 | 11.62 | 0.827 | 0.828 | 17.59 | 17.62 |

Parity Prices

| Domestic Import Parity Prices as at 06/10/2015 | | | | | |
|--|-------------------------|---------|--------|--------|--------|
| US\$/ZAR=13.57 US\$/ZMW=13.69 | | | | | |
| Parity Prices | | U\$/ZMW | Maize | Soya | Wheat |
| Lusaka | | 13.69 | 462.03 | 603.17 | 484.57 |
| Town | Ex-Lusaka freight (ZMW) | \$ | \$ | \$ | \$ |
| Chipata | 275 | 20.09 | 482.12 | 623.26 | 504.66 |
| Mkushi | 225 | 16.44 | 478.47 | 619.61 | 501.01 |
| Ndola | 250 | 18.26 | 480.29 | 621.43 | 502.83 |
| Kitwe | 250 | 18.26 | 480.29 | 621.43 | 502.83 |

Note: Prices are for December Delivery, with the exception of maize which is for October delivery

| Export Parity Price Ranges (EPP) Harare-Lusaka | |
|--|-------------|
| Soya Beans | 486-505.5 |
| Wheat | 310.5-427.5 |
| Maize | 213-320.5 |

Wheat Highlights

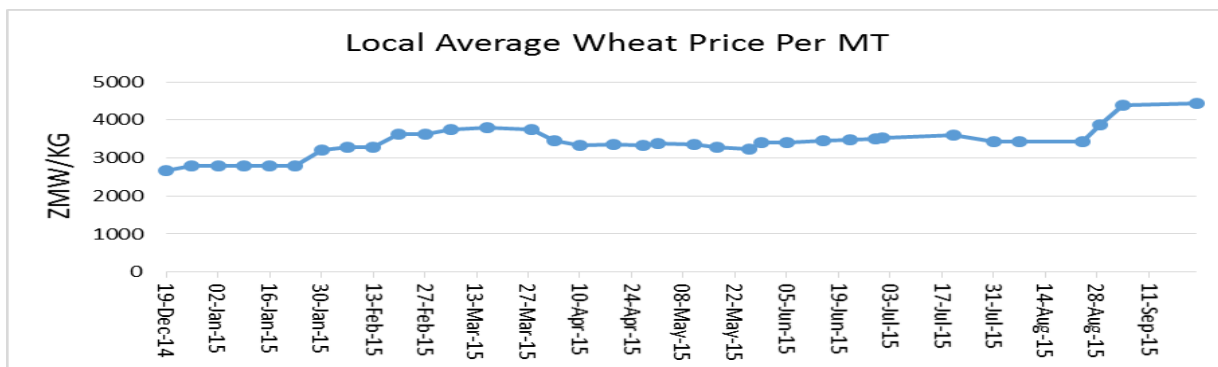
- Russia's Prime Minister signed a decree last week Friday that lowers the Russian wheat export duty. The duty has been set at 50% of the domestic price per ton, minus 6,500 roubles (previously 5,500 roubles) while the minimum duty has been reduced from 50 Russian Roubles to 10 Roubles per ton. Durum wheat is exempt from the tax. It is however yet to be seen whether the country will achieve its aim of increasing its wheat exports due to the currency risks. Russia's wheat exports in the period July to August 2015 were the lowest in the last four year.
- Despite the wheat import window having been closed end of August 2015, 32 tons of wheat were captured as destined for Zambia by the South African grain Information Services in the week ending 25th September 2015.
- Locally, there is resistance by processors to buy wheat with some indicating that they have enough of the commodity in stock and may only need to replenish at the end of November

ZNFU CORPORATE SPONSORS



in December. The slow marketing and lack of guarantee of purchase may affect some farmers' loan repayments to the financiers of the crop.

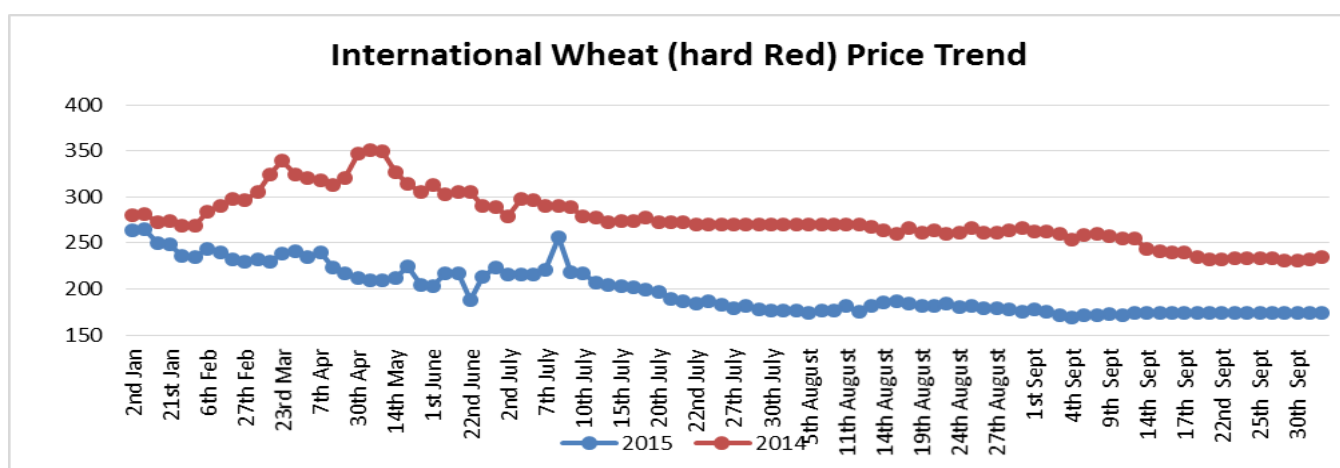
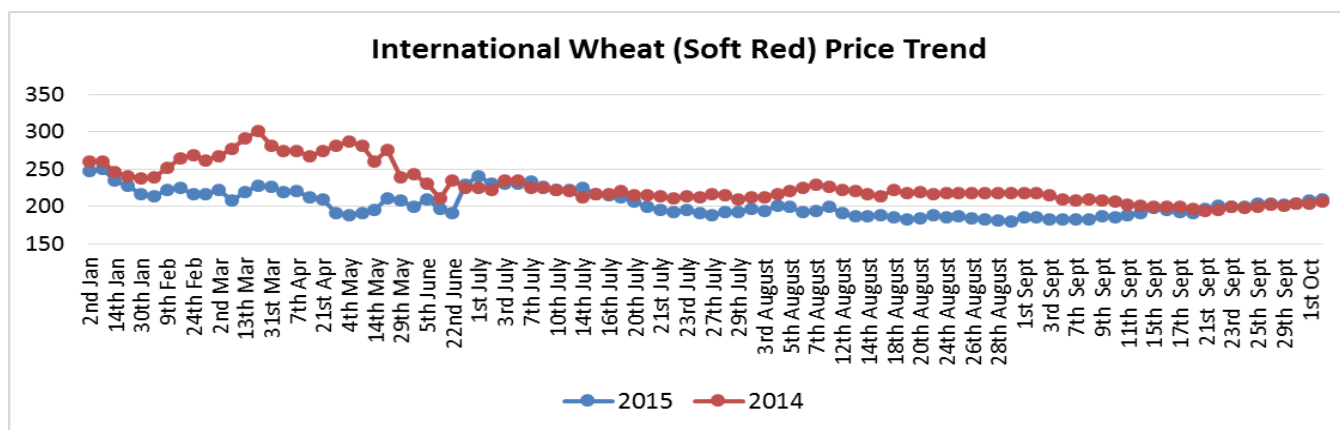
- The Chicago soft red wheat future price for delivery in December 2015 were hovering around US\$ 202.60/MT on 6th October 2015.
- Wheat purchases on the local market have slowed down with few traders quoting offer prices during the week ending 2nd October 2015. Local offer prices were in the range of US\$380-403/ton, below are end of August offer prices which were hovering around US\$443/ton.



Source: ZNFU 4455 Information System.

Price trends

The Safex international soft red and hard red wheat averaged US\$205.98/ton and US\$173.98/ton respectively in the week ending 2nd October 2015. In comparison to the previous week, soft red prices rose by 2.75% while hard red prices were relatively stable. All prices are fob US gulf.



Source: Safex

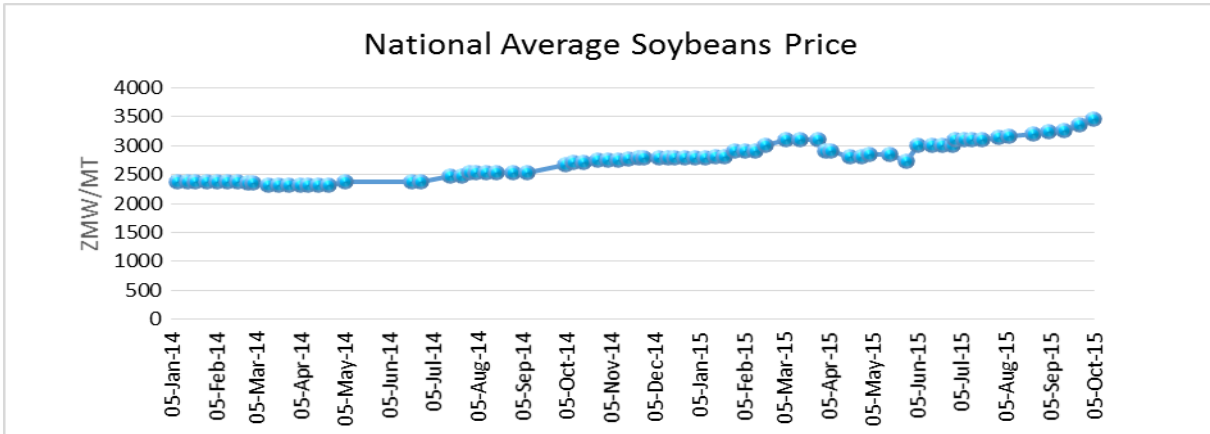
ZNFU CORPORATE SPONSORS



Soya Beans

Highlights

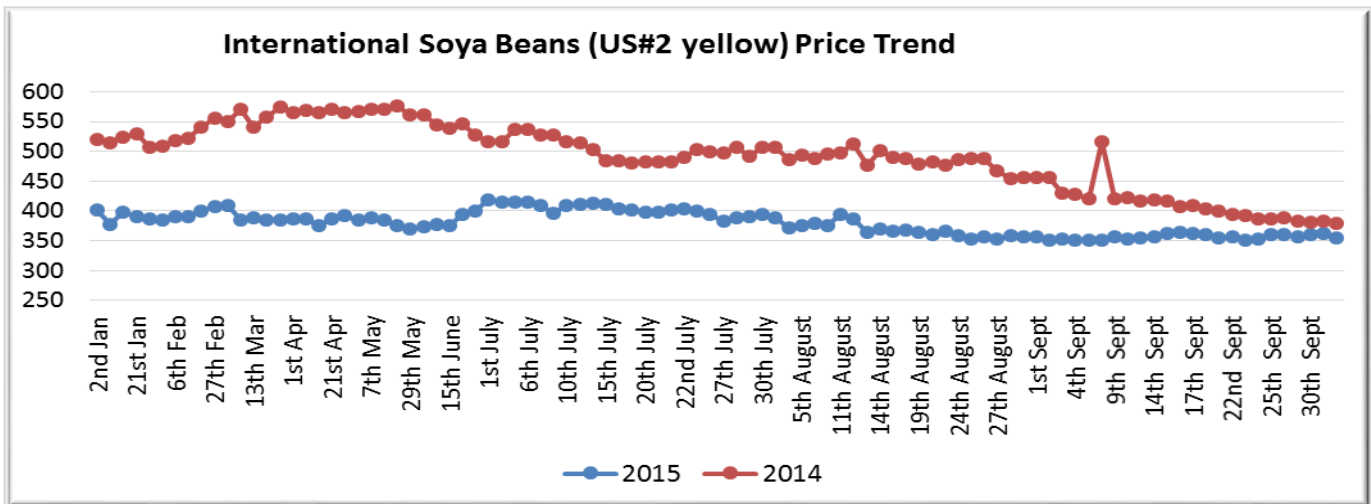
- The international grain council has projected an increase in the total supplies of soya beans on the international market in 2015/16 to 364.3 million tons from the previous season's supply estimate of 354.2 million tons. Ending stocks are also forecast higher despite an anticipated increase in consumption requirements. International prices of the commodity in the 2015/16 year are therefore generally expected to be suppressed.
- Initial market sentiments are that there is a looming shortage of soya beans seed for the 2015/16 agricultural season with most of the seed available already committed to farmers.
- Soya beans for November 2015 delivery on Chicago Mercantile Exchange were hovering around US\$323.71/ton on 6th October 2015.
- Soybeans offer prices by traders captured by the ZNFU 4455 price information system were averaging K3, 450/ton in the week ending 2nd October, 2015.



Source: ZNFU, 4455 Market Price Information System

Price trends

International prices of US No. 2 yellow soya beans on Safex traded higher by 0.98 percent and averaged US\$358.58/ton during the week ending 2nd October 2015. All prices are fob US gulf.



Source: Safex

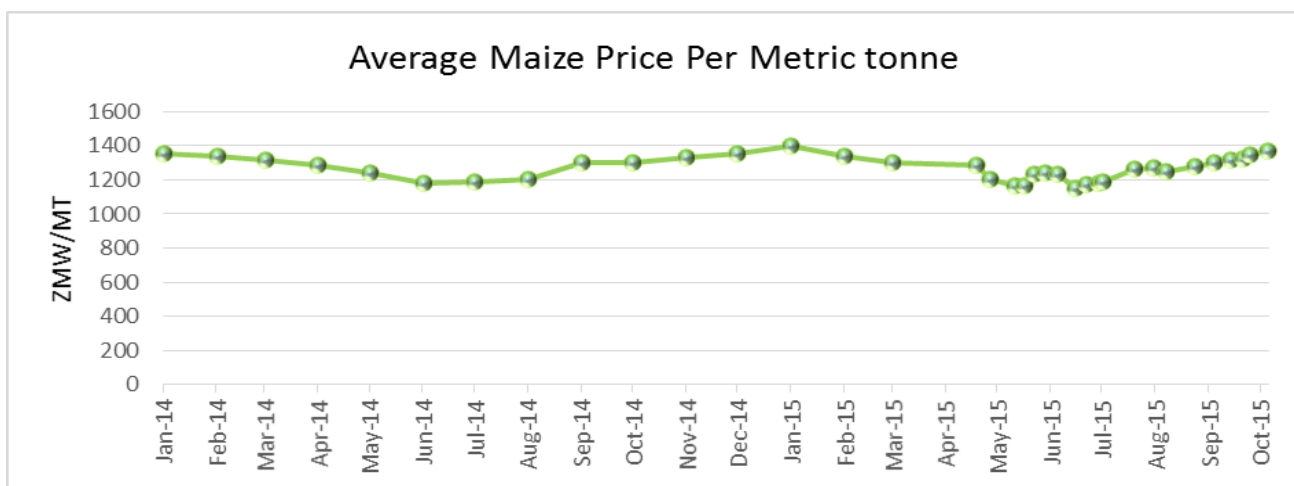
ZNFU CORPORATE SPONSORS



Maize

Highlights

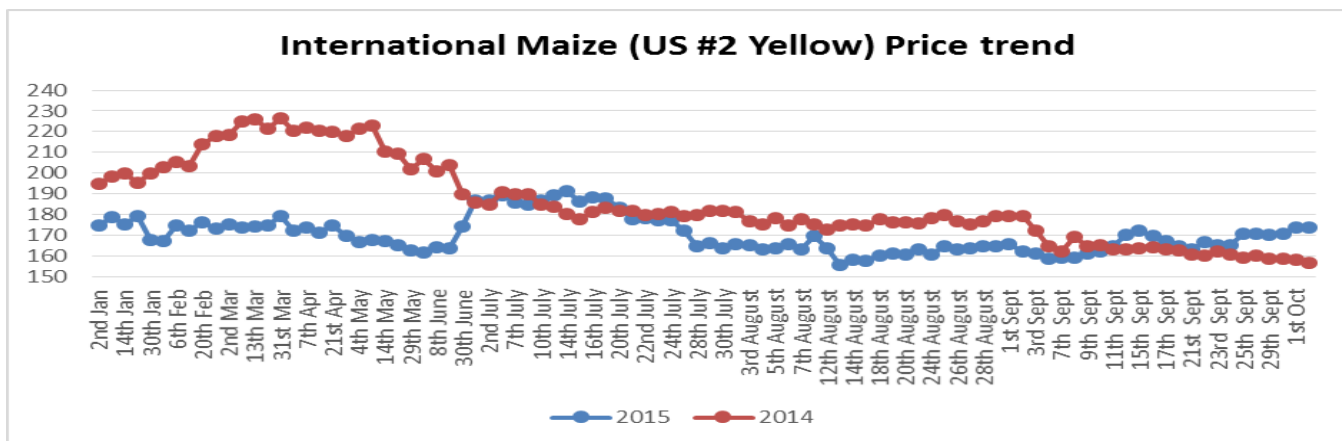
- Zambia has been the main source of South Africa's maize imports since June 2015 with the country accounting for over 98% of South Africa's white maize imports. Zambia's maize exports to South Africa totalled 8,148MT between June and 25th September 2015 according to data from South Africa's grain information services. Meanwhile South Africa has exported about 125,392MT of maize into the Southern African region over the same period.
- Zambia on the other hand has official Maize export records of over 309,000MT between June and August 2015. Export destinations include Zimbabwe, Tanzania, Kenya, Malawi, South Africa and Botswana.
- The Chicago maize futures price for delivery in December 2015 was pegged at US\$ 154.71/MT on 6th October 2015.
- Maize prices continue to edge upwards with the highest maize price offer as captured by the ZNFU market price information system now pegged at K1.85/Kg. Average prices are in the range of K1.370/Kg.



Source: ZNFU, 4455 Market Price Information System

Price trends

During the week ending 2nd October 2015, international maize fob prices as recorded by Safex averaged US\$171.96/ton, above the previous week's average by 3.31 percent.



Source: Safex

ZNFU CORPORATE SPONSORS



Cotton

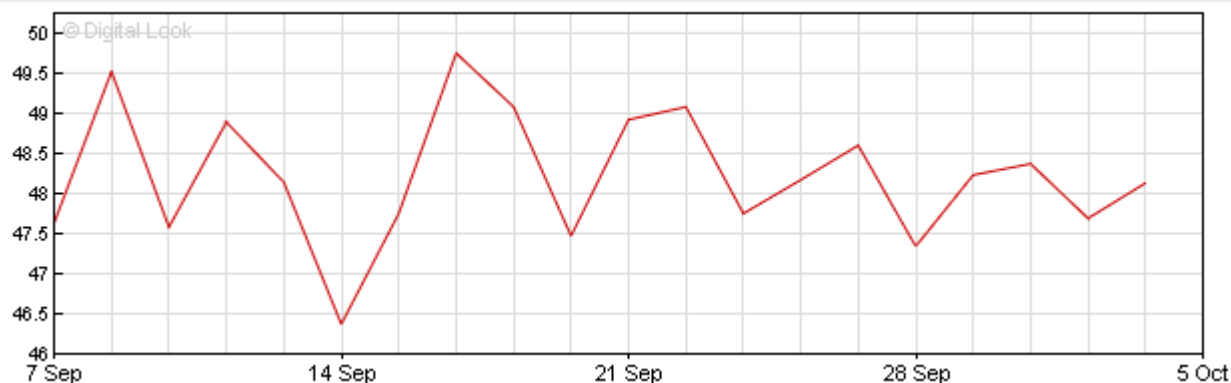
Highlights

- The U.S will allow a special import quota of 15,287,174 kg's of upland cotton. The quota will be established as of October 8, 2015, and will apply to upland cotton purchased not later than January 5, 2015, and entered into the U.S. not later than April 4, 2016. The U.S department of agriculture has further stated that future quotas, in addition to the quantity announced, will be established if price conditions warrant.
- New York Market cotton prices for December delivery pegged at US\$0.6665/pound (US\$1.47/kg) on 29th September 2015 while Cotlook "A" index prices were pegged at US\$0.6187/pound (≈US\$1.36/kg) on 6th October 2015.

Crude oil

- International crude oil prices have continued floating in the range of US\$47 -48.5/barrel. Meanwhile Saudi Arabia is reported to have discounted its selling price of Medium grade crude oil to Asia by about US\$3.2/barrel below the regional benchmark. Saudi Arabia is trying to keep its leg in the Asian market amidst sluggish demand.
- Brent crude oil prices were about US\$49.26/barrel while WTI was pegged at US\$45.17/barrel on 5th October 2015.
- Oman's settlement price for November delivery was pegged at US\$45.84/barrel on the Dubai Mercantile Exchange during the early trading hours of trade on 5th October 2015

Brent Crude Oil Futures \$/barrel



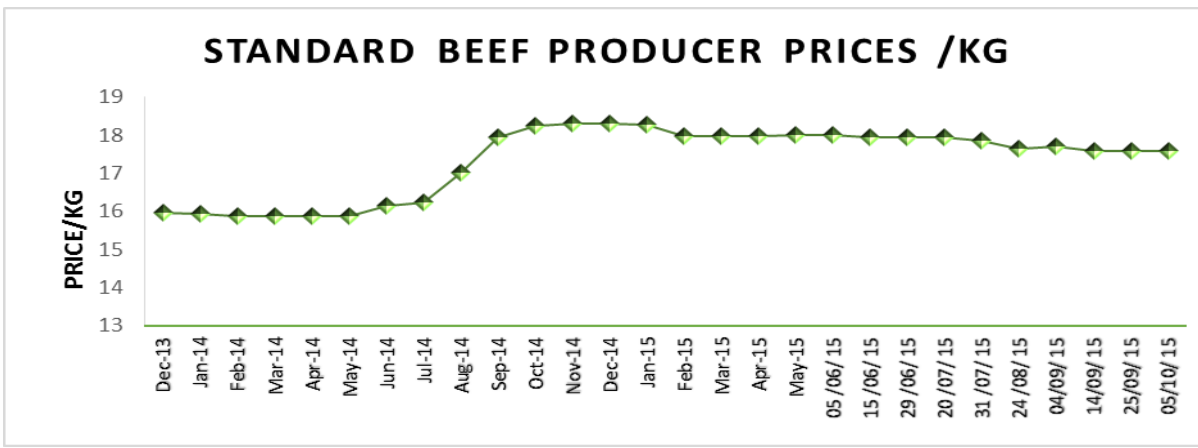
Source: BBC Business, 2015

Beef

- A case of BSE, Mad Cow Disease, has been found in a dead cow in Wales. The disease was identified through routine control measures of testing all animals that die on-farm. The Welsh government has assured its consumers that the meat has not entered the food supply chain. It is not clear which part of Wales the animal was found in. However, earlier in the year, there was a reported case of suspected mad cow disease in an animal in Ireland. According to the World Organization for Animal Health Data, the last reported case of BSE, as at 22nd July 2015, in the United Kingdom was in Great Britain in 2014 while Northern Ireland had the last reported case in 2012.
- According to the ZNFU market price information system, dressed weight beef offer prices were averaging K17.6/Kg in the week ending 2nd October 2015. The graph below shows local beef price trends;

ZNFU CORPORATE SPONSORS



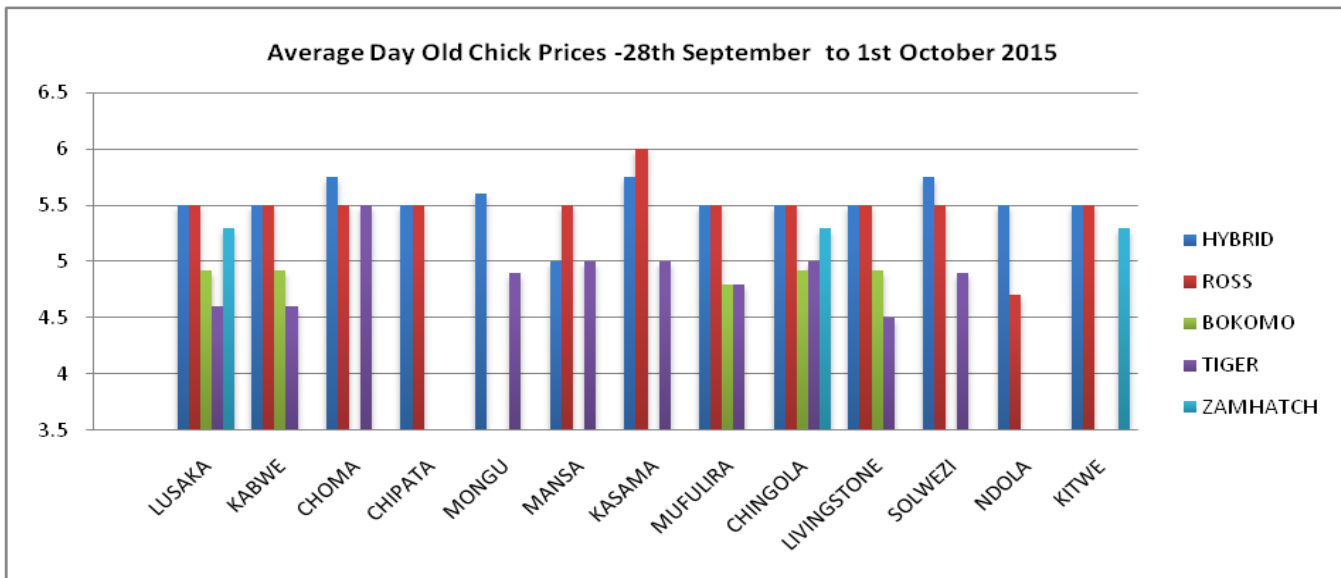


Source: ZNFU, 4455 Market Price Information System

Poultry Updates for the Week ending 2nd October 2015

AVERAGE DAY OLD CHICK PRICES

The graph below shows the price of different breeds of day old chicks in selected towns. During the course of the week some brands of day old chicks experienced upward price adjustments as anticipated. The price increase follows the general increase in the cost of production in the sector.

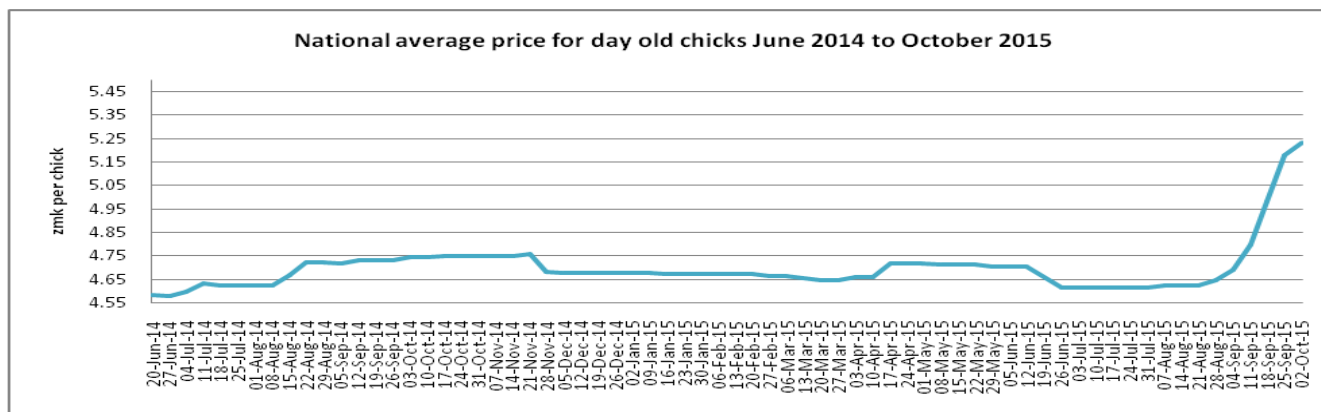


Source: Poultry Association of Zambia

ZNFU CORPORATE SPONSORS



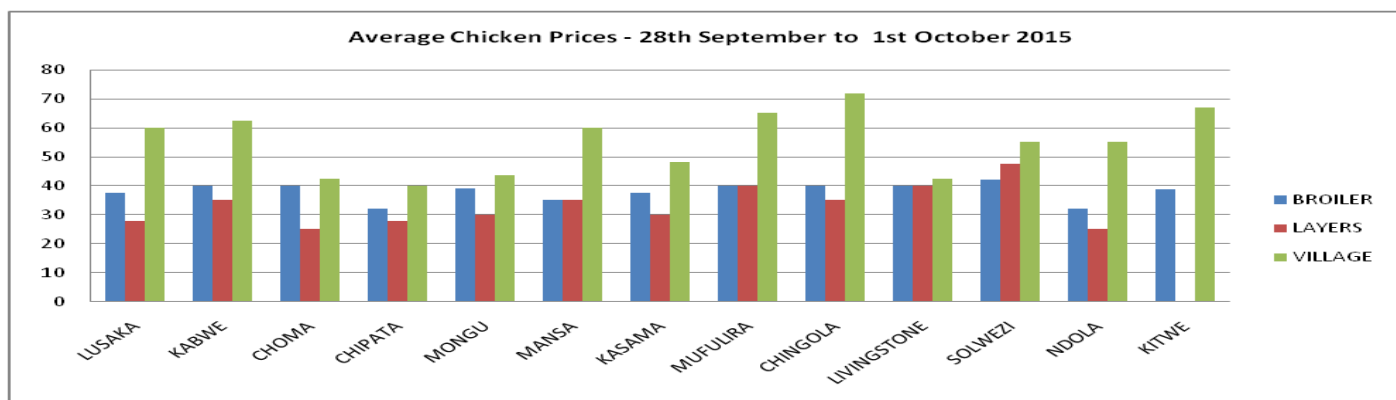
The graph below shows the national average price trend for day old chicks from June 2014 to October 2015. The graph shows that the national average price of day old chicks has continued to rise and was at ZMW5.23 per chick last week.



Source: Poultry Association of Zambia

AVERAGE LIVE BIRDS PRICES

The graph below shows the average live bird prices in Lusaka, Choma, Kabwe, Chipata, Mongu Mansa, Mufulira, Chingola, Solwezi, Ndola, Kitwe and Livingstone. The price of broiler live birds in Choma and Chipata rose from ZMW34 to ZMW40 and from ZMW28 to ZMW32 representing 17.6% and 14.3% price increases respectively. On the other hand the price of village chicken in Choma and Chipata rose from ZMW39 to ZMW42.5 and from ZMW35 to ZMW40 representing 9% and 14% price increases respectively.

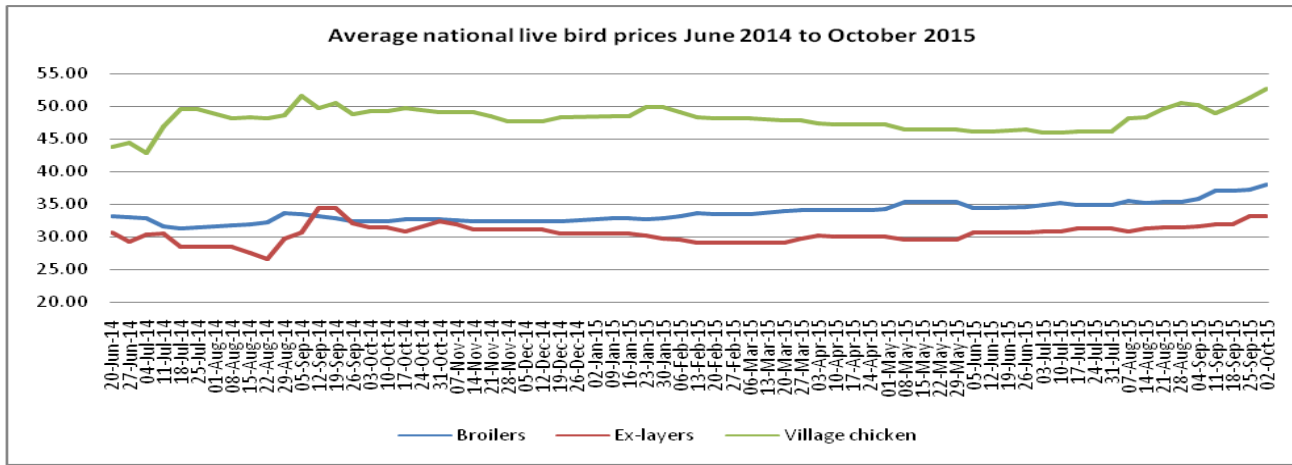


Source: Poultry Association of Zambia

The graph below shows the national average price trends for broilers, ex-layers and village chickens. The graph shows that the national average price of broilers and village chickens rose, while the price of ex-layers remained stable during the course of the week. The national average price of broilers, ex-layers and village chickens during the week was ZMW37.98, ZMW33.21 and ZMW52.69 per kg respectively.

ZNFU CORPORATE SPONSORS

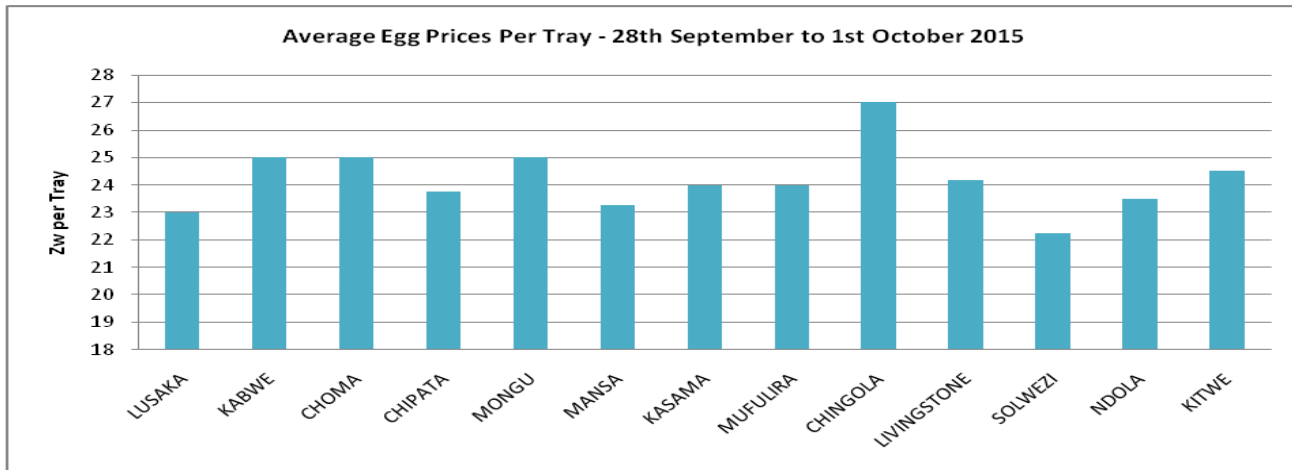




Source: Poultry Association of Zambia

AVERAGE EGG PRICES

The graph below shows average retail prices of table eggs in selected towns around the country. The price of eggs in Choma rose by 13.6% from ZMW22 to ZMW25. Egg prices in the rest of the towns remained relatively stable during the course of the week.

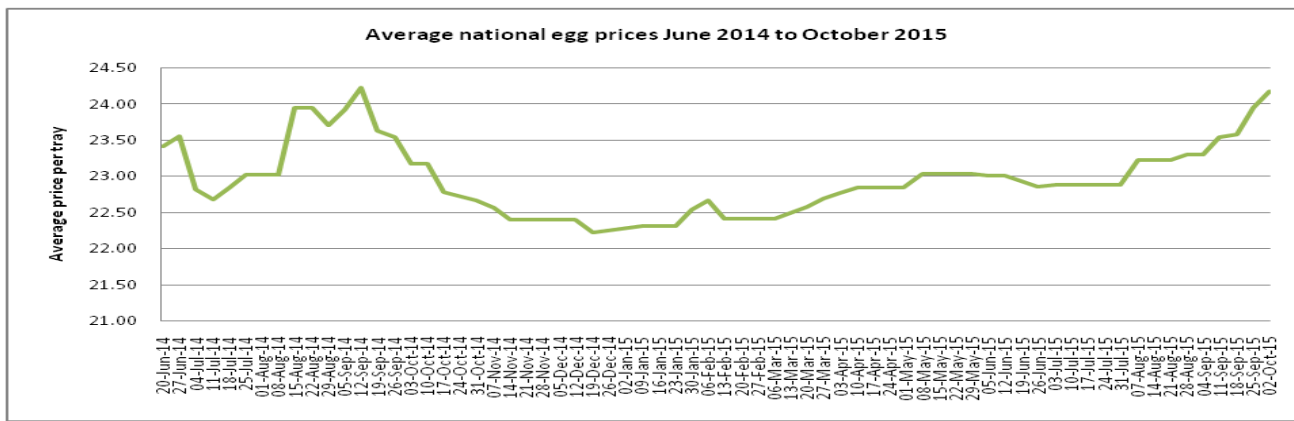


Source: Poultry Association of Zambia

The graph below shows the price trend for a tray of eggs from mid-June 2014 to September 2015. The graph shows that the national average price of eggs has been rising since 11th September 2015 and is now at ZMW24.19. On average, the price of table eggs is almost at the 2014 peak of 24.25 per tray which was recorded in September last year.

ZNFU CORPORATE SPONSORS

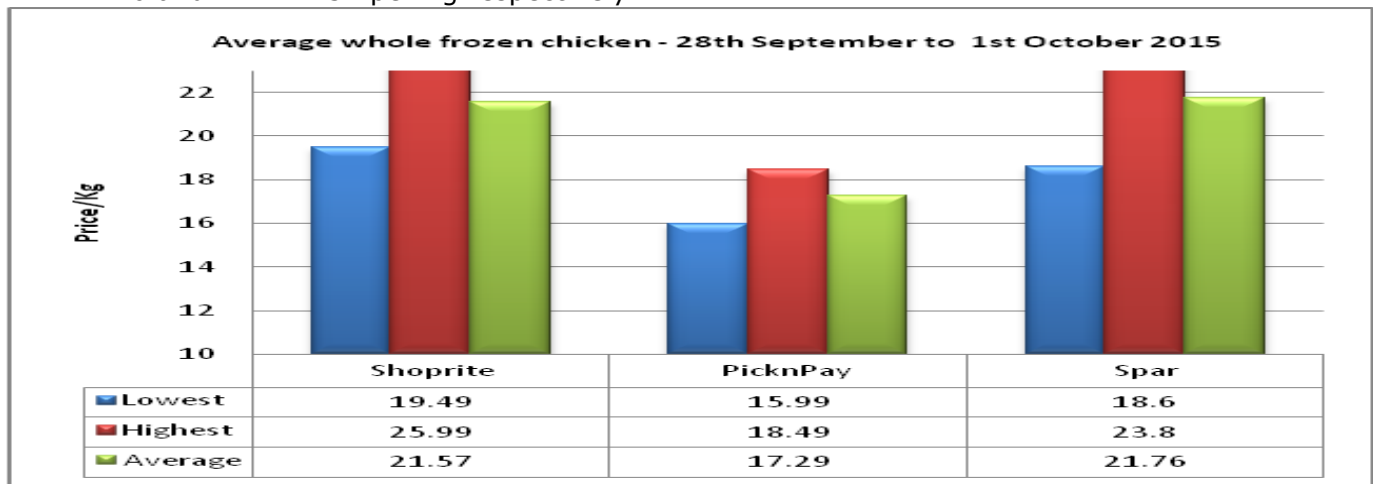




Source: Poultry Association of Zambia

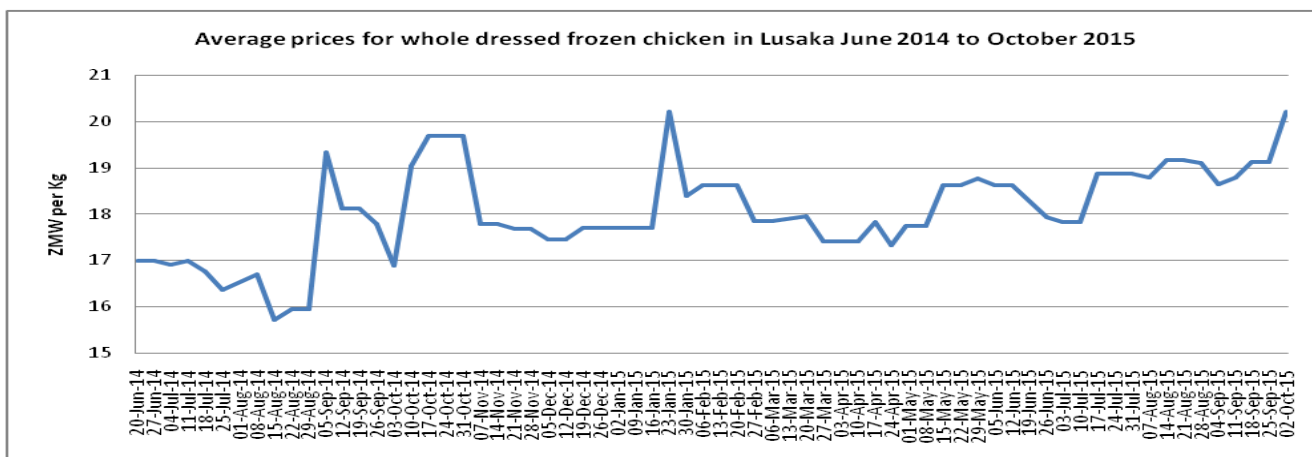
AVERAGE WHOLE DRESSED CHICKEN PRICES

Graph 1 shows average prices of whole frozen chickens in the three chain stores around Lusaka. The average price for frozen whole chicken in Pick n' Pay, Spar and Shoprite was ZMW17.29, ZMW21.76 and ZMW21.57 per Kg respectively.



Source: Poultry Association of Zambia

The graph below shows the average price trend for whole frozen dressed chicken in Lusaka from June 2014 – October 2015. Just like most products in the poultry sector the price of frozen whole chicken has also been on an uptrend. The average price of frozen chickens in Lusaka during the course of the week was ZMW20.21 per kg. This average is the same average that was obtaining on 23rd January when the price of frozen whole chicken was considered to have reached a peak.

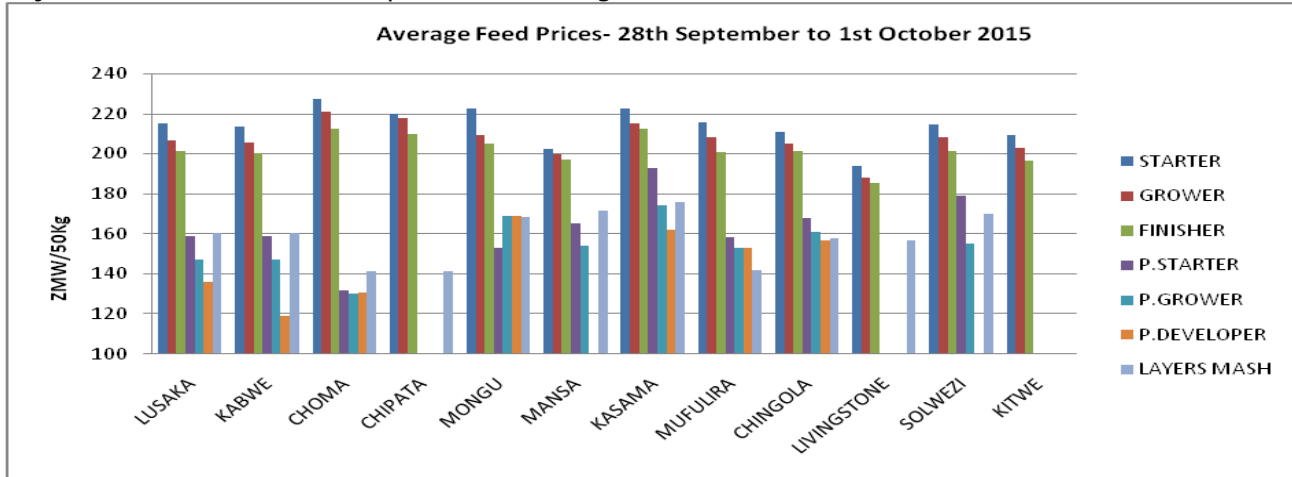


ZNFU CORPORATE SPONSORS



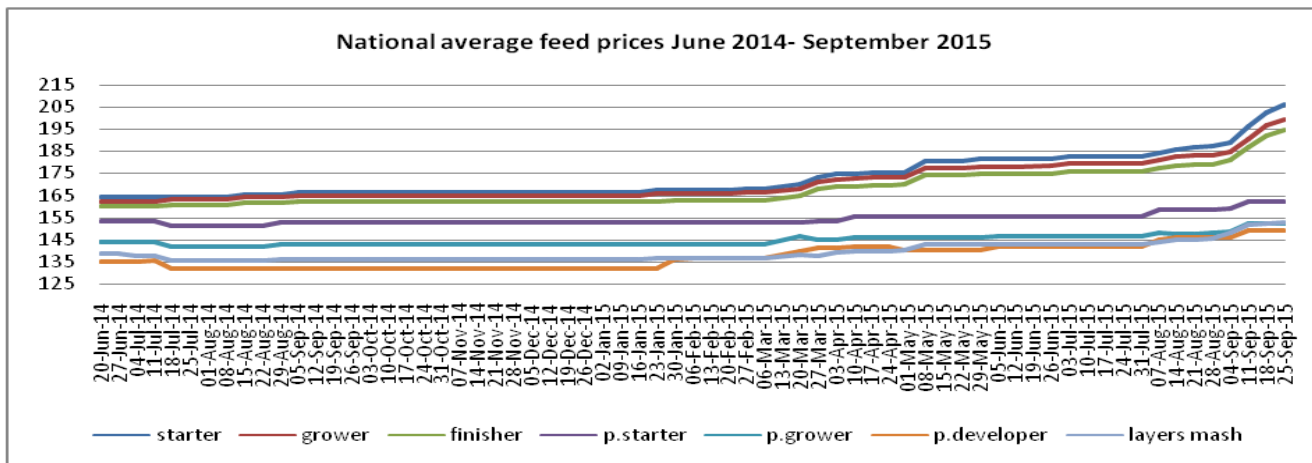
AVERAGE FEED PRICES

The graph below shows average weekly feed prices in selected towns. Further upward price adjustments of feed were experienced during the course of the week.



Source: Poultry Association of Zambia

The graph below shows the national average price trend of feed prices from June 2014 to September 2015. The graph shows a continued upswing in poultry feed prices. These are mainly caused by the devaluation of the Kwacha against the dollar.



Source: Poultry Association of Zambia

ZNFU CORPORATE SPONSORS

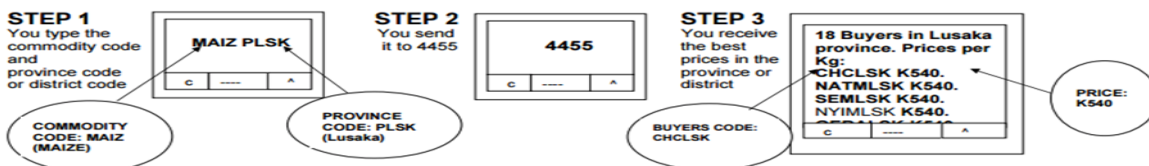


ALERTS!!!!!!!

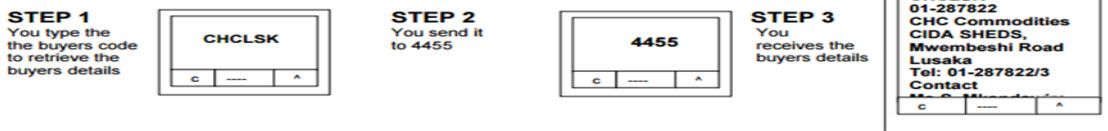
Look out for the *Zambian Farmer TV Programme* every Monday at 18:25 hours on ZNBC TV1

ZNFU Market Price Information

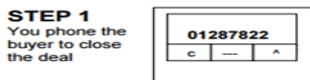
STAGE 1: Getting market prices



STAGE 2: Getting buyers details



STAGE 3: Contacting buyer



ZNFU System Operator 097 773 003
ZNFU Operator Email marketinfo@znfu.org.zm
Find the information on www.farmprices.co.zm

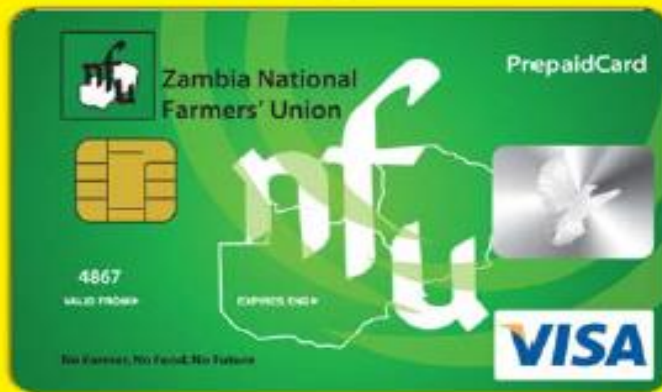
ZNFU CORPORATE SPONSORS



ZNFU CORPORATE SPONSORS



Use your



and get your discounts @



Benefits of the Card

With the ZNFU prepaid Visa card you enjoy:

- Freedom of choice of inputs
- Great discount offers on inputs, agro equipment and hospitality services from great brands
- Convenient, efficient and secure real time payments
- Building up savings as money will be securely deposited on the prepaid card.

+260 211 252 649 | info@znfu.org.zm | www.znfu.org.zm

NO FARMER, NO FOOD, NO FUTURE!



ZAMBIA NATIONAL FARMERS' UNION

ZNFU CORPORATE SPONSORS

