



# THE WEEKLY AGRO WATCH



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19<sup>th</sup> October, 2015 Vol.41

## Industry Updates

- SA still exporting wheat to Zambia.
- Farmer prices stagnate as input

### Still No Rain in Most parts of the country

Weather forecasts indicate that most parts of the country will have clear sunny skies most of the week (ending 26<sup>th</sup> October 2015). According to the Norwegian system, only Luapula province is likely to receive some rainfall with Nchelenge expected to receive over 10mm of rains on 23<sup>rd</sup> October 2015.

### SA makes Headway on Allowing US Poultry Imports

Indications are that South Africa is close to signing an agreement that would allow 65,000MT of poultry imports from the US. Though the US and South Africa had signed a pact in June this year for South Africa to abolish the anti-dumping duties on certain chicken products, South Africa has raised concerns over health risks due to an Avian Flu outbreak which killed nearly 50 million birds in the United States. The South African special envoy for AGOA, Ambassador Faizel Ismail, indicated to Reuters that the two parties are close to finalizing through the technical glitches. Increased poultry supply on the South Africa market, one of Zambia's major trading partners, increases the likelihood of Zambia's poultry imports rising.

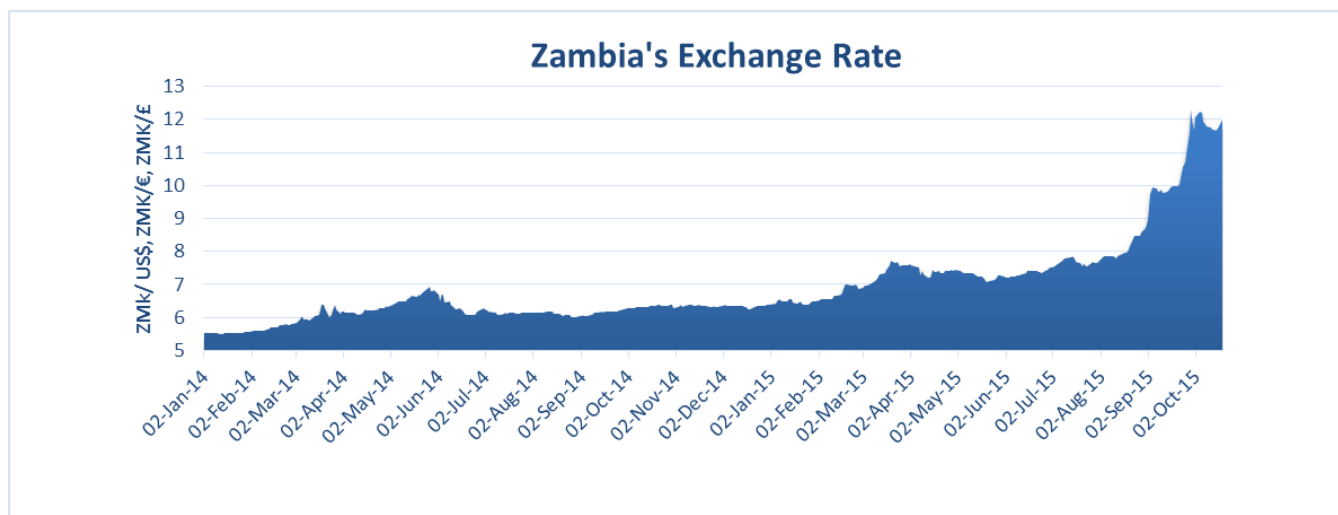
## Exchange Rates

CURRENCY	19/10/2015						12/10/2015					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
<b>FNB</b>	12.22	12.46	0.94	0.96	18.87	19.25	11.65	11.89	0.88	0.90	17.87	18.24
<b>Standard Chartered Bank</b>	12.16	12.40	0.94	0.95	18.78	19.16	11.64	11.87	0.88	0.90	17.86	18.22
<b>ZANACO</b>	11.81	12.05	0.90	0.92	18.20	18.56	11.64	11.88	0.88	0.89	17.83	18.18
<b>Bank of Zambia</b>	11.997	12.02	0.908	0.909	18.57	18.61	11.73	11.75	0.884	0.885	18.02	18.06

The graph below shows the trends in the mid- exchange rate (ZMK/US\$) from 1<sup>st</sup> January 2014 to 19<sup>th</sup> October 2015.

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Source: BoZ

## Commodity Prices

Average Prices of Selected Commodities in Various Districts as at 16<sup>th</sup> October 2015

	MANSA	MWENSE	CHIENGE	KAOMA	NAKONDE	CHINSALI	SESHEKE	KABOMPO	KATETE	CHOMA
BREAKFAST MEAL(25KG)	77	77	95	78	90	68	69	85	72.3	74
ROLLER MEAL (25KG)	61	64	75	65	90	69	55	65		58
D. COMPOUND (50GKG)	400	400	400	400	390	310	280	206	366	404
UREA (50KG)	350	350	350	400	310	280	280	195	356	365

Domestic Import Parity Prices as at 16/10/2015					
US\$/ZAR=13.11 US\$/ZMW=11.72					
Parity Prices		US\$/ZMW	Maize	Soya	Wheat
Lusaka		<b>11.72</b>	<b>435.24</b>	<b>619.29</b>	<b>372.91</b>
Town	Ex-Lusaka freight (ZMW)	\$	\$	\$	\$
Chipata	275	23.46	458.71	642.75	396.37
Mkushi	225	19.20	454.44	638.49	392.11
Ndola	250	21.33	456.57	640.62	394.24
Kitwe	250	21.33	456.57	640.62	394.24

## Wheat

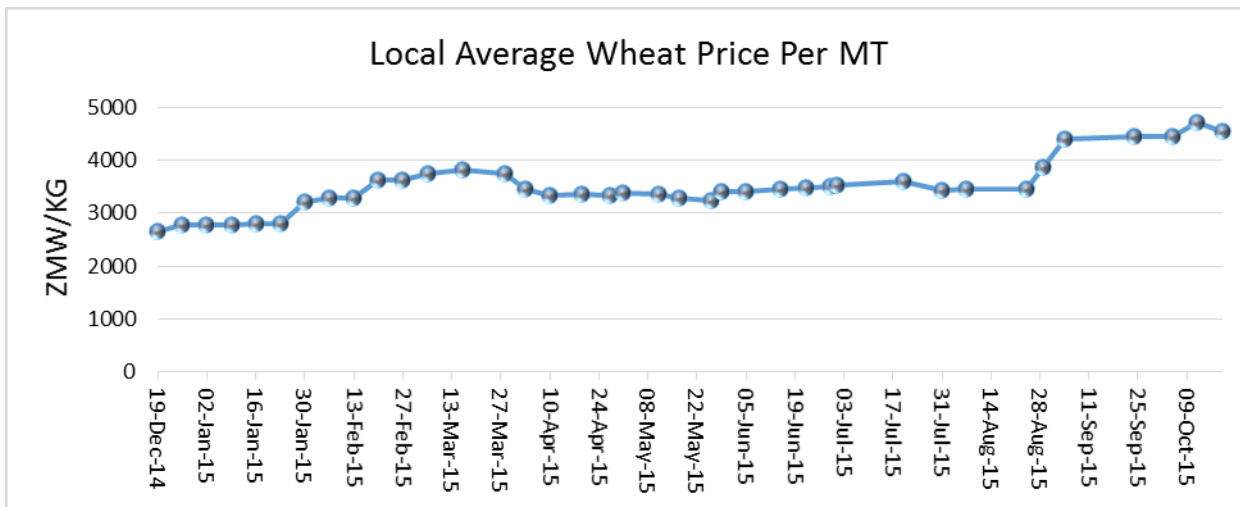
### Highlights

- The French 2015/16 wheat crop has been estimated at 40.99 million tons, 9.36 percent above the previous year's harvest. Data from the French government further shows an increase in the country's non-EU exports between July and August 2015.
- The black sea region is however giving France and other large wheat producing countries stiff competition with Russia and Romania winning the latest Egyptian tender for the supply of 240,000MT of wheat in the last week of November.
- Despite borders being closed to wheat imports, the South African Grain and Information Service captured 33 tons of wheat as destined for Zambia in the week ending 9<sup>th</sup> October 2015.

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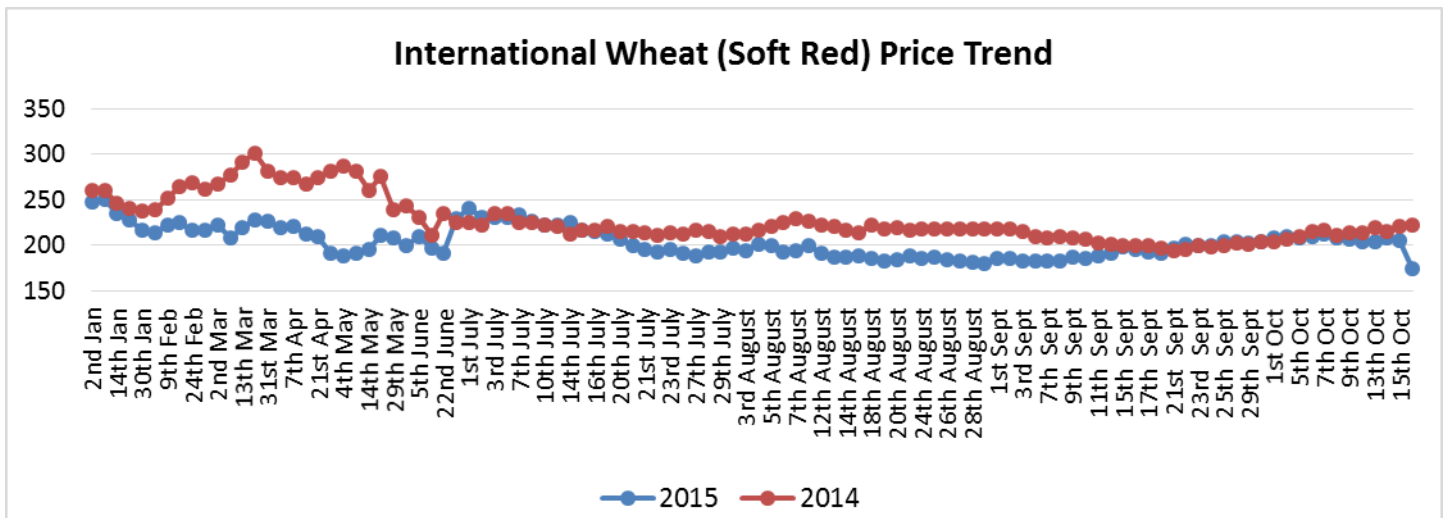
- The Chicago soft red wheat future price for delivery in December 2015 were hovering around US\$ 179.02/MT on 19<sup>th</sup> October 2015.
- Indicative local offer prices, captured through the ZNFU market price Information system were hovering around US\$370-390/ton in the week ending 16<sup>th</sup> October 2015. This is slightly below last week's range of us\$380-405/ton.



Source: ZNFU 4455 Information System.

**Price trends**

The Safex international soft red wheat averaged US\$199.24/ton in the week ending 16<sup>th</sup> October 2015. In comparison to the previous week, soft red prices fell by 4.69%. All prices are fob US gulf.



Source: Safex

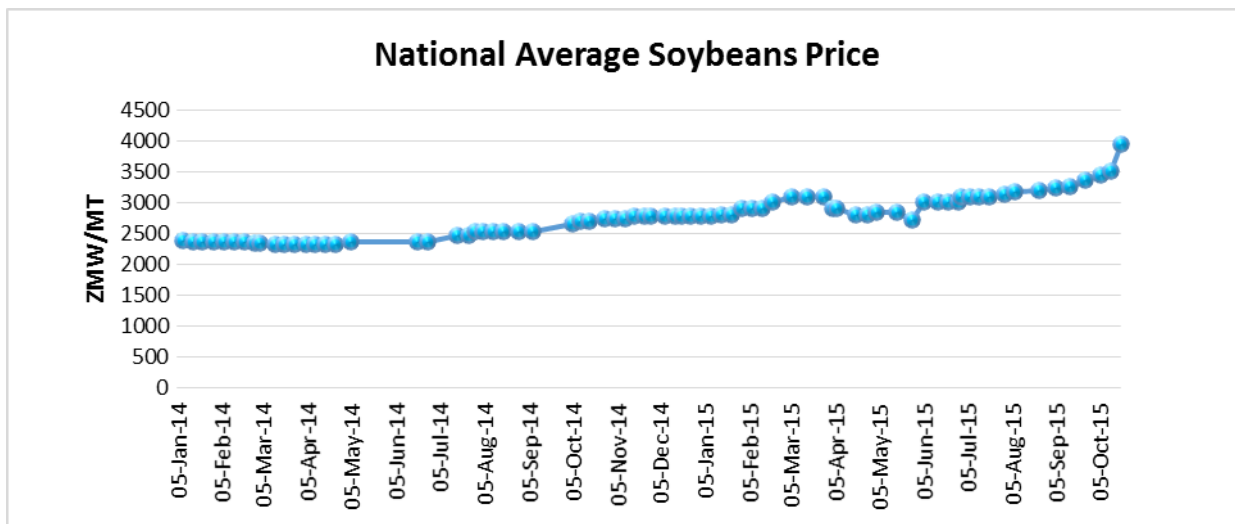
**Soya Beans**

**Highlights**

- Soya beans for November 2015 delivery on Chicago Mercantile Exchange were hovering around US\$329.96/ton on 19<sup>th</sup> October 2015.
- Soybeans offer prices by traders captured by the ZNFU 4455 price information system were averaging K3, 950/ton in the week ending 16<sup>th</sup> October, 2015.

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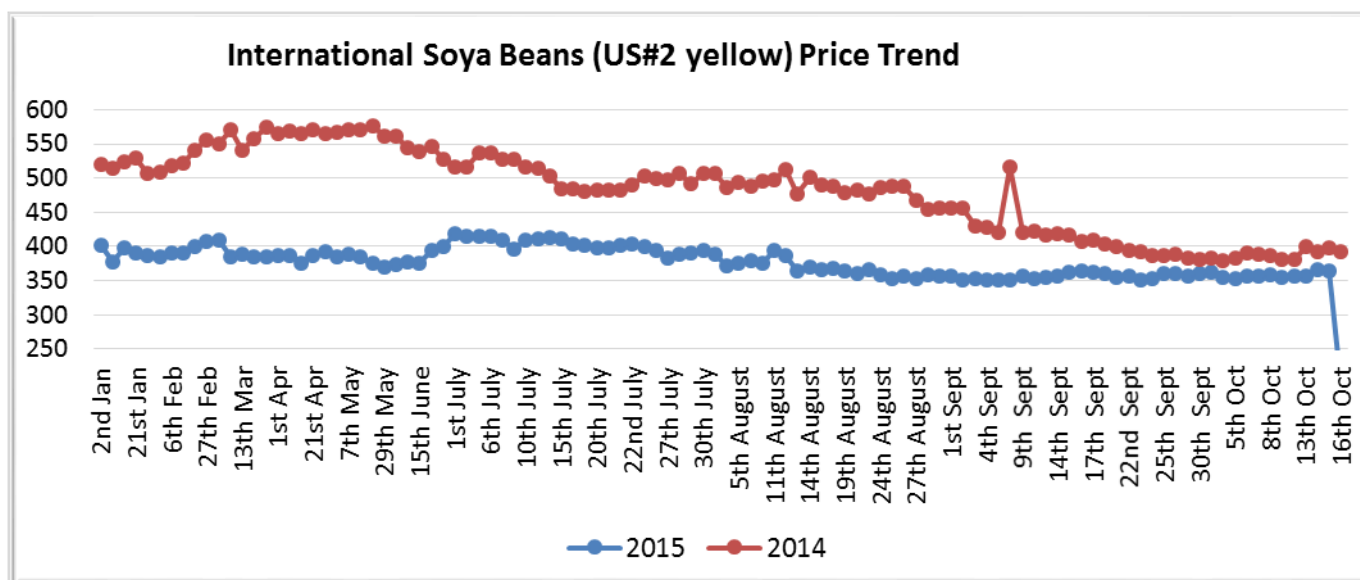




Source: ZNFU, 4455 Market Price Information System

### Price trends

International prices of US No. 2 yellow soya beans on Safex traded lower by 7.68 percent and averaged US\$328.67/ton during the week ending 16<sup>th</sup> October 2015. All prices are fob US gulf.



Source: Safex

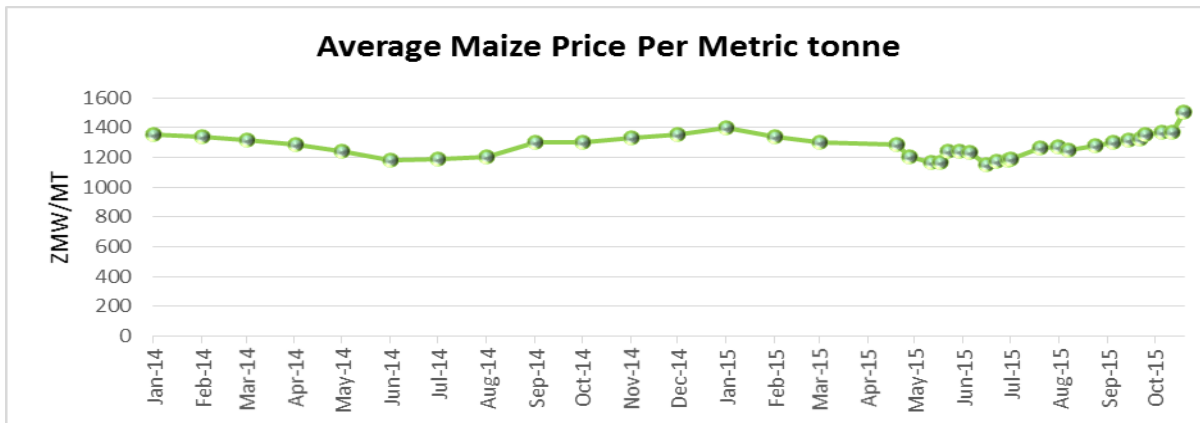
## Maize

### Highlights

- As at 19<sup>th</sup> October 2015, whole maize prices in Kenya were in the range of US\$235-411/MT with Nairobi recording the highest prices according to RATIN.
- The Chicago maize futures price for delivery in December 2015 was pegged at US\$ 147.24/MT on 19<sup>th</sup> October 2015.
- Indicative local offer prices were averaging K1.5/Kg with the highest offer pegged at K2.2/kg on the ZNFU market price information system.

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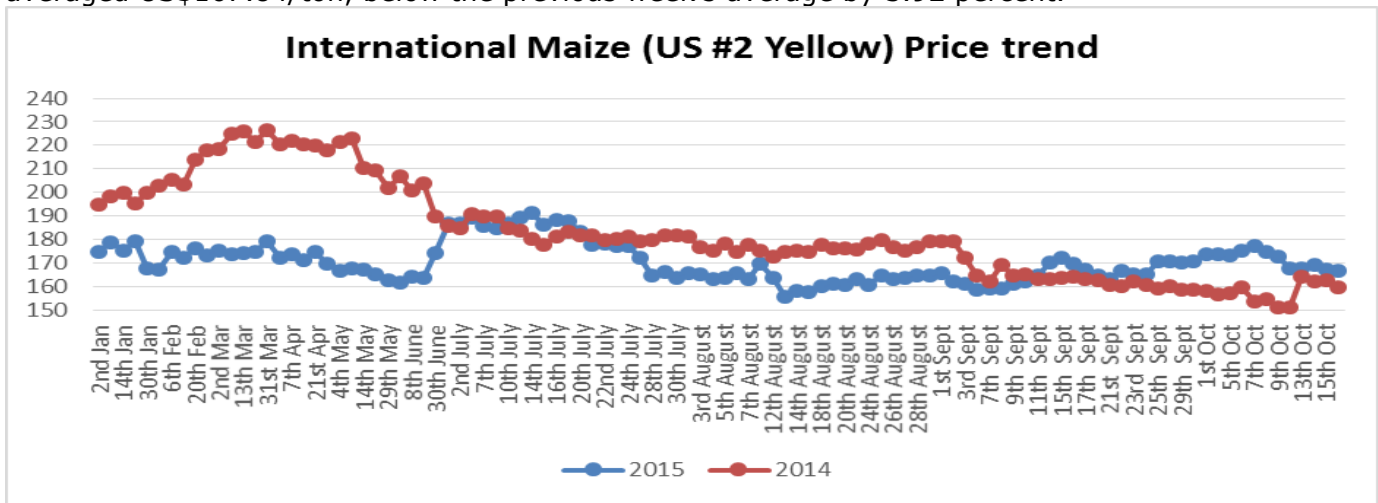




Source: ZNFU, 4455 Market Price Information System

### Price trends

During the week ending 16<sup>th</sup> October 2015, international maize fob prices as recorded by Safex averaged US\$167.84/ton, below the previous week's average by 3.92 percent.



Source: Safex

## Cotton

### Highlights

- During a cotton fair held from 16<sup>th</sup> – 17<sup>th</sup> October 2015, Uzbekistan concluded contracts for export of 700,000 tons of raw cotton. Based on USDA data, the country ranks 6<sup>th</sup> in cotton production and is the world's 5<sup>th</sup> largest cotton exporter.
- Meanwhile the Cotton Advisory Council has projected that China will still be the world's largest importer of cotton in the 2015/16 year despite the forecast 12% drop in Chinese imports. In 2015, the Chinese government restricted imports to the minimum volume required by the World Trade Organization to encourage mills to purchase domestic cotton. World cotton imports have been forecast to remain flat at 76 million tons in the 2015/16 year as increased imports by other countries compensates for the drop in China's import appetite. An appreciation of consumption requirement by 2 percent is expected to cause a slight increase in Cotlook 'A' index prices with the 2015/16 prices expected to range about 62-89 cents /pound and average US\$0.74/pound (≈US\$1.63/kg).
- New York Market cotton prices for December delivery pegged at US\$0.6371/pound (US\$1.40/kg) on 19<sup>th</sup> October 2015 while Cotlook "A" index prices were pegged at US\$0.7020/pound (≈US\$1.54/kg) on 16<sup>th</sup> October 2015.

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## Crude oil

- The dip in crude oil prices that begun on Monday last week was suppressed by Friday on news that U.S oil drillers would cut back on production due to the depreciation of prices.
- Brent crude oil prices were about US\$49.89/barrel while WTI was pegged at US\$47.25/barrel on 19<sup>th</sup> October 2015.
- Oman's settlement price for December delivery was pegged at US\$47.11/barrel on the Dubai Mercantile Exchange during the early hours of trade on 19<sup>th</sup> October 2015.10.13

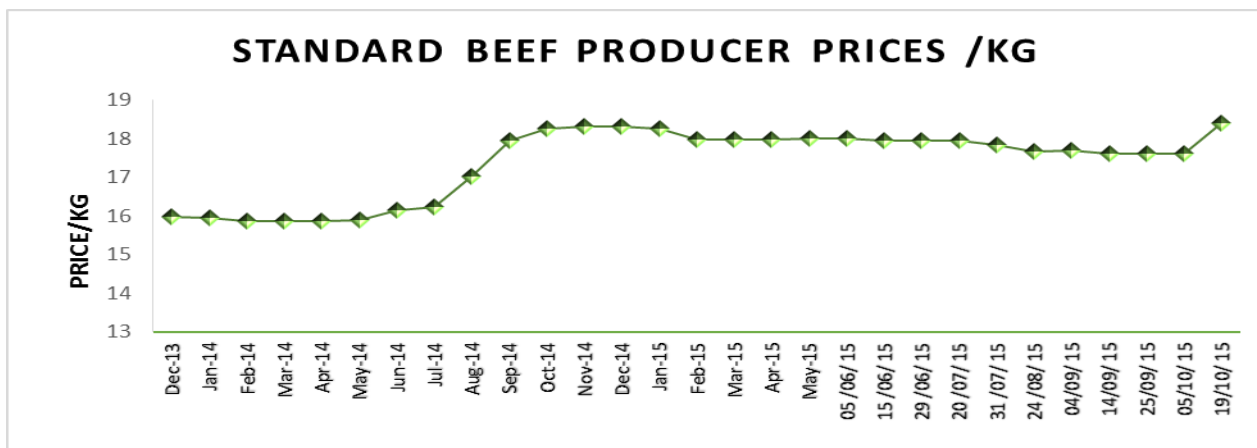
### Brent Crude Oil Futures \$/barrel



Source: BBC Business, 2015

## Beef

- After a 15 year ban due to BSE (mad cow) diseases, Saudi Arabia has re-opened its market to French beef imports. France is currently the EU's largest cattle producer with most of its meat consumed mostly within the European Union.
- Grain fed beef carcasses, averaging 258.5kg, were being sold for ZAR35.21/kg (approx. ZMK33.81/kg) on the South African market in the week ending 11<sup>th</sup> October 2015 according to the South African Feedlot Association. Live animals, averaging 447kg, were on the other hand being sold for ZAR20.36/kg (approx. ZMK19.55/kg).
- According to the ZNFU market price information system, local dressed weight beef offer prices were in the range of K17-20/Kg in the week ending 16<sup>th</sup> October 2015. The graph below shows local beef price trends;



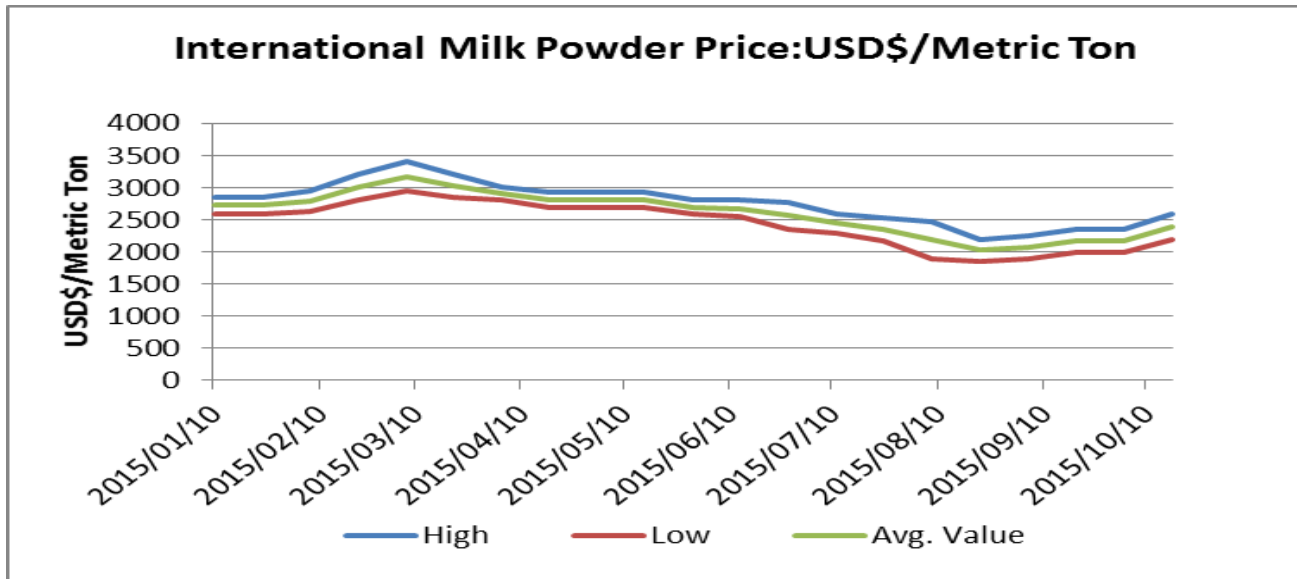
Source: ZNFU, 4455 Market Price Information System

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**GLOBAL WHOLE MILK POWDER PRICE TRENDS**

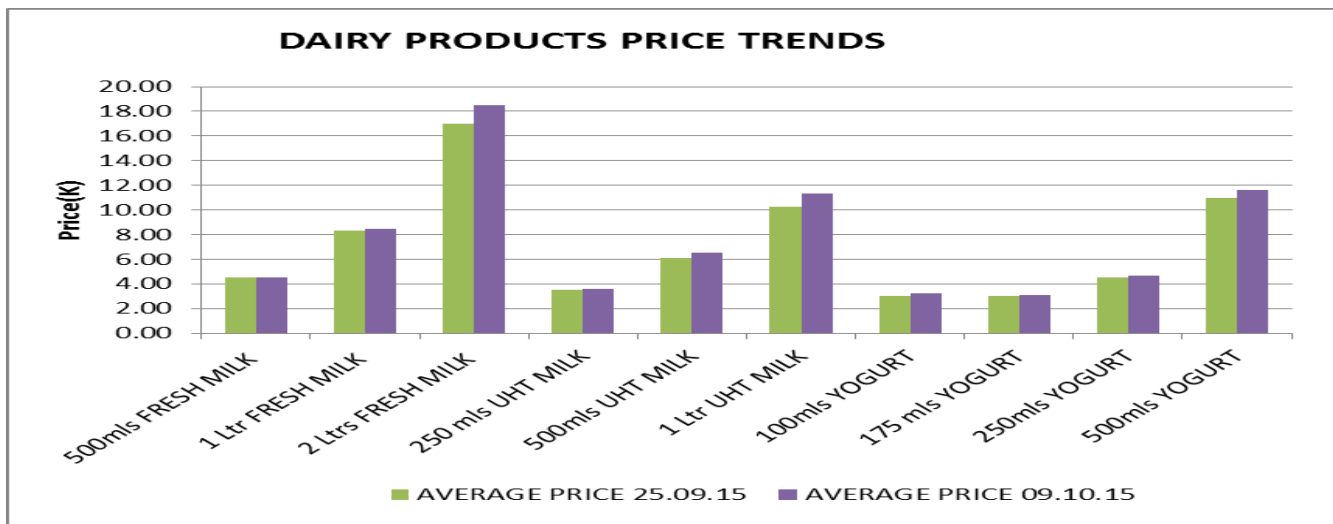
The price of whole milk powder on the international market increased slightly from USD 2,175/MT on 19<sup>th</sup> September 2015 to USD 2400/ MT as at 16<sup>th</sup> October 2015 as indicated in the graph below:



Source: <http://future.aae.wisc.edu/>

**LOCAL AVERAGE PRICES OF DAIRY PRODUCTS**

Average prices of dairy products recorded some increments ranging from 1% to 10% between 25<sup>th</sup> September and 9<sup>th</sup> October 2015 .Notable increases were in the price of a litre of UHT milk that increased by 10% while the price of a 2 litres fresh milk container rose by 8%. A 500mls cup of yoghurt on the other hand rose by 6 percent.



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## DAIRY FEED AVERAGE PRICES

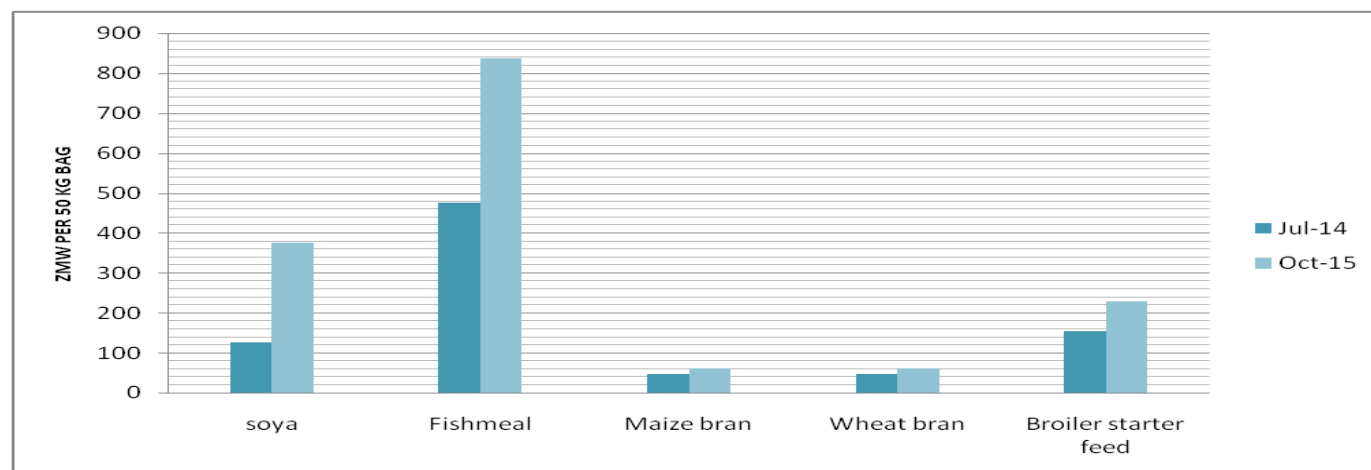
Dairy feed prices and that of feed ingredients have generally increased. A 25 Kg bag of maize bran is selling between K20 to K47 with an average price of K39. The prices of cotton cake, sunflower cake and Soya cake have equally gone up mainly due to supply factors.

DAIRY FEEDS PRICES in ZMK			
SER.	PRODUCT	25/09/15	09/10/15
1	50 kg DAIRY 19	146	146
2	25 kg DAIRY CONCENTRATES	83	86
3	50kg DAIRY MEAL	153	157
4	50kg CALF STARTER (Mash)	159	162
5	50kg CALF STARTER (pellets)	167.7	168.0
6	50kg MILK REPLACER	447	450
7	50kg SUNFLOWER CAKE	68.75	75
8	50kg COTTON SEED CAKE	126.5	130
9	50kg SOYA MEAL	310	320
10	50kg No.3 MEAL	55	57
11	25kg MAIZE BRAN	28.5	39

## Poultry Updates for the Week ending 16<sup>th</sup> October 2015

### DOMESTIC POULTRY PRICES

The following graph compares prices of selected feed ingredients as well as the price of broiler stock feed in July of 2014 and October of this year. The graph shows notable increases in the price of ingredients and consequently in the price of feed.



Source: Poultry Association of Zambia

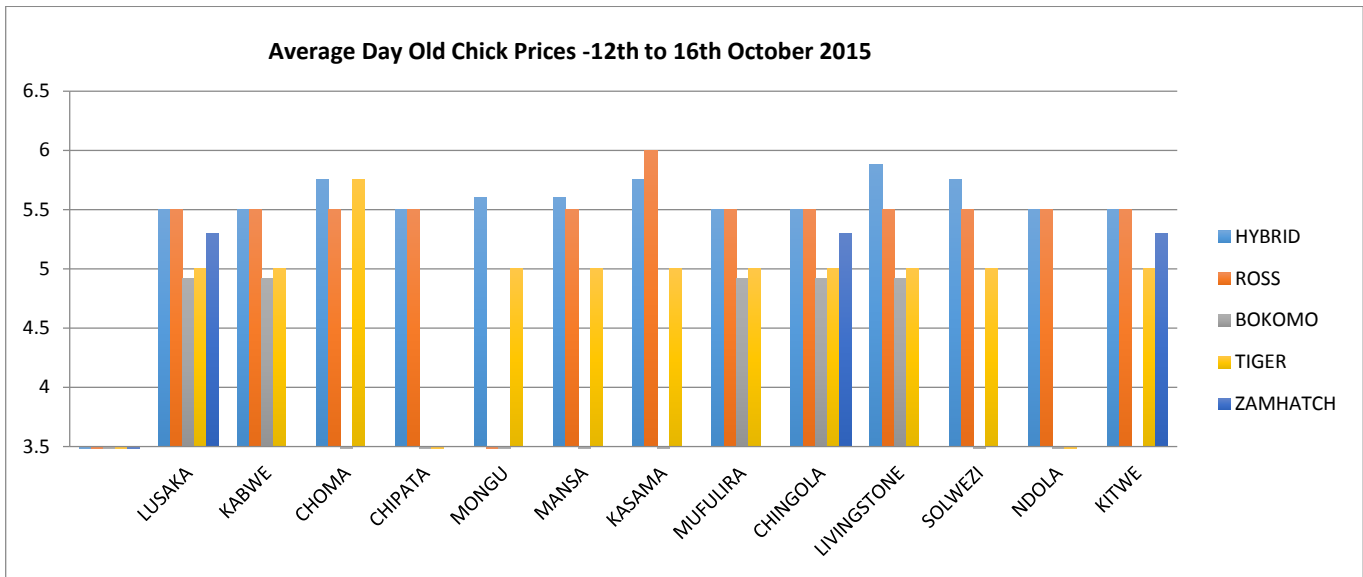
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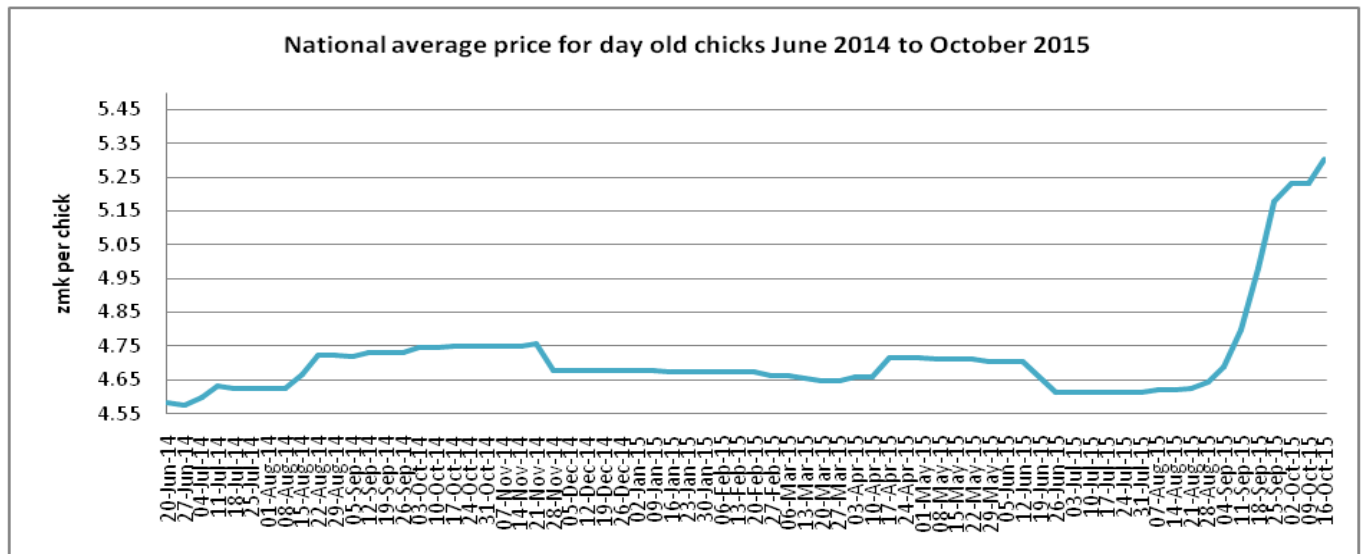
## AVERAGE DAY OLD CHICK PRICES

The graph below shows the price of different breeds of day old chicks in selected towns. During the course of the week, some breeds of day old chicks experienced upward price adjustments. This is following the general increase in production costs in the industry.



Source: Poultry Association of Zambia

The graph below shows the national average price trend for day old chicks from June 2014 to October 2015. Further, the graph shows that the national average price for day old chicks has risen to ZMW5.30.



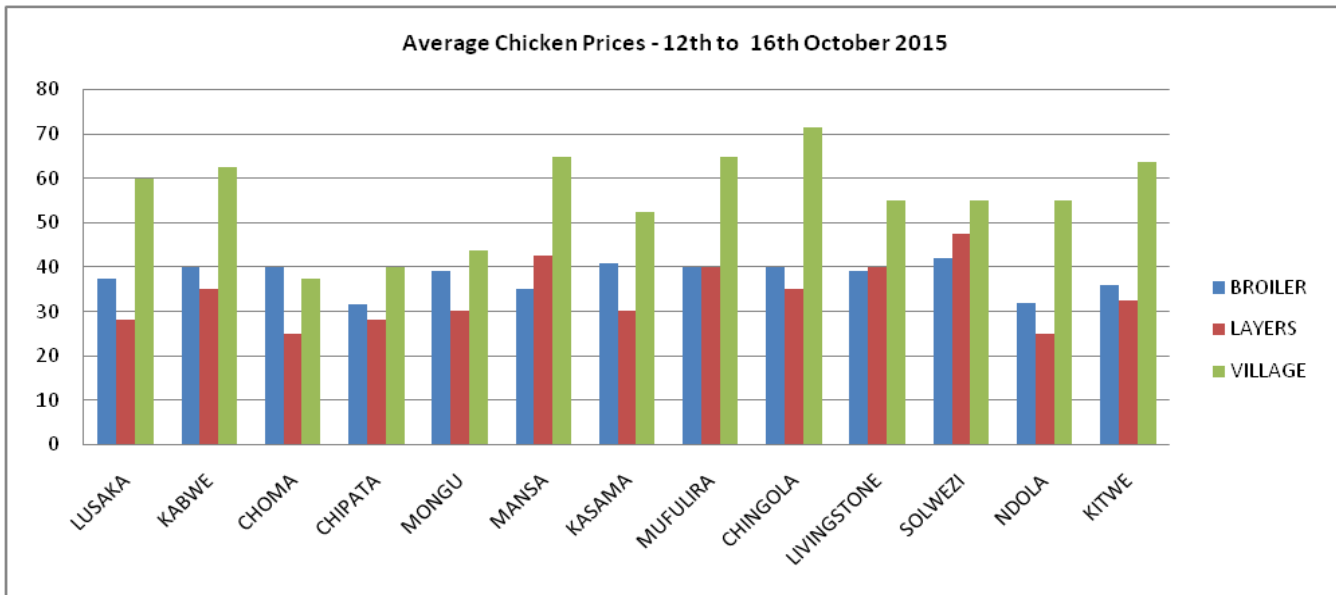
Source: Poultry Association of Zambia

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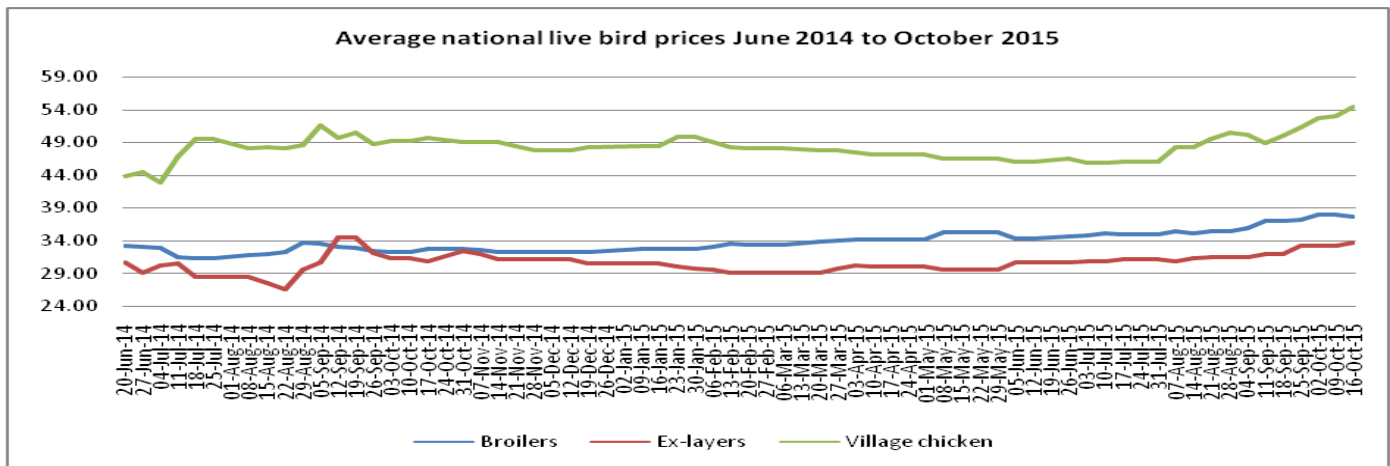
## AVERAGE LIVE BIRDS PRICES

The graph below shows the average live bird prices in Lusaka, Choma, Kabwe, Chipata, Mongu, Mansa, Mufulira, Chingola, Solwezi, Ndola, Kitwe and Livingstone. While the price of feed keeps escalating, the price of broilers in most markets has been stable with reductions experienced in some markets such as Mansa and Kitwe where the price declined from ZMW35 to ZMW31.5 and from ZMW38.75 to ZMW36 respectively. This is caused by resistance on the part of consumers, who are not willing to pay more for a chicken, leading to further tightening of the farmer's profit margins.



Source: Poultry Association of Zambia

The graph below shows the national average price trends for broilers, ex-layers and village chickens. There is an increase in the national average price of village chickens and ex-layers and a slight decline in the national average price of broilers. The national average price of broilers, ex-layers and village chickens during the week was ZMW37.68, ZMW33.73 and ZMW54.48 respectively.



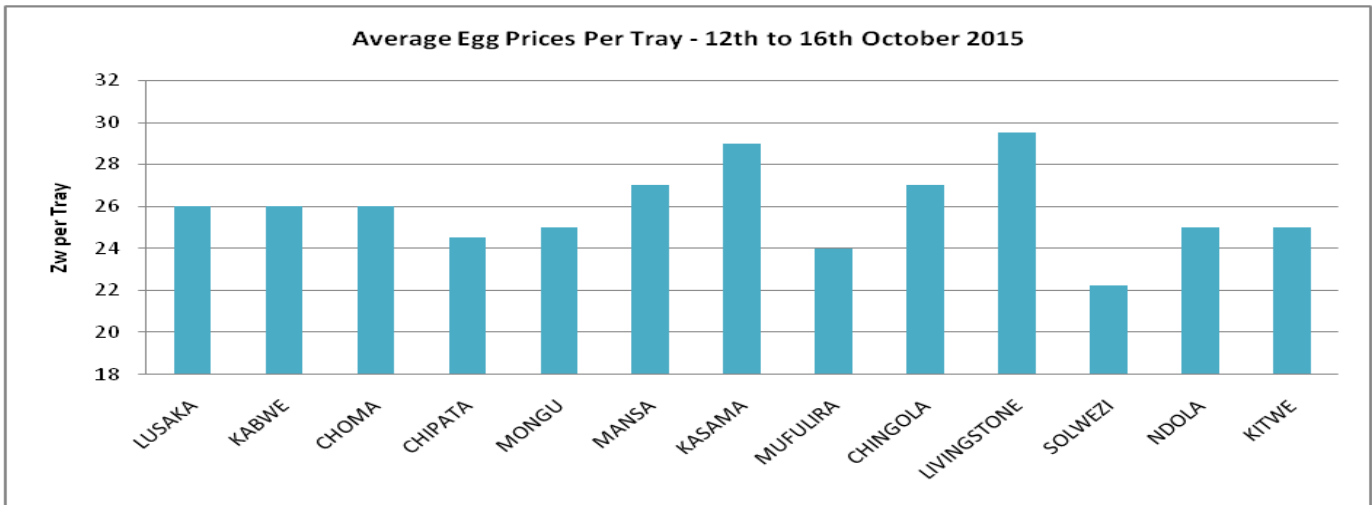
Source: Poultry Association of Zambia

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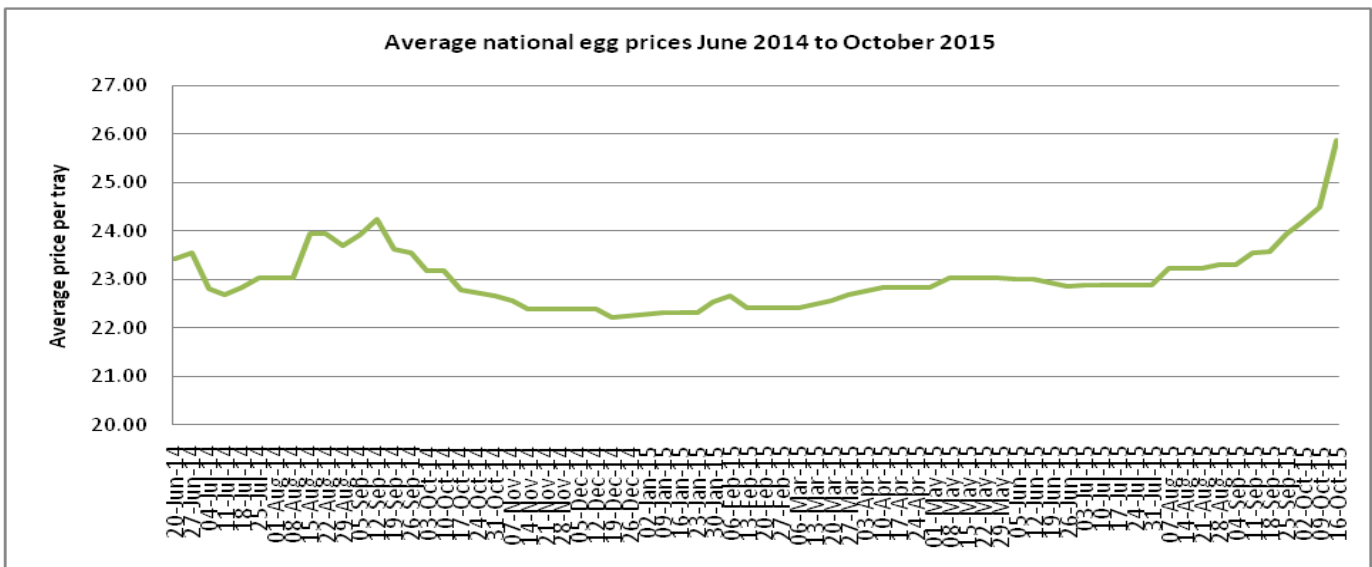
## AVERAGE EGG PRICES

The graph below shows average retail prices of table eggs in selected towns around the country. The graph shows that egg prices have risen in most towns and the highest average price in the towns displayed was ZMW29.5



Source: Poultry Association of Zambia

The graph below shows the price trend for a tray of eggs from mid-June 2014 to October 2015. The graph shows that the national average price of eggs has continued with an upward trend and was at ZMW25.87 during the course of the week. This is due to the increase in the cost of feed as well as other costs associated with the production of eggs.



Source: Poultry Association of Zambia

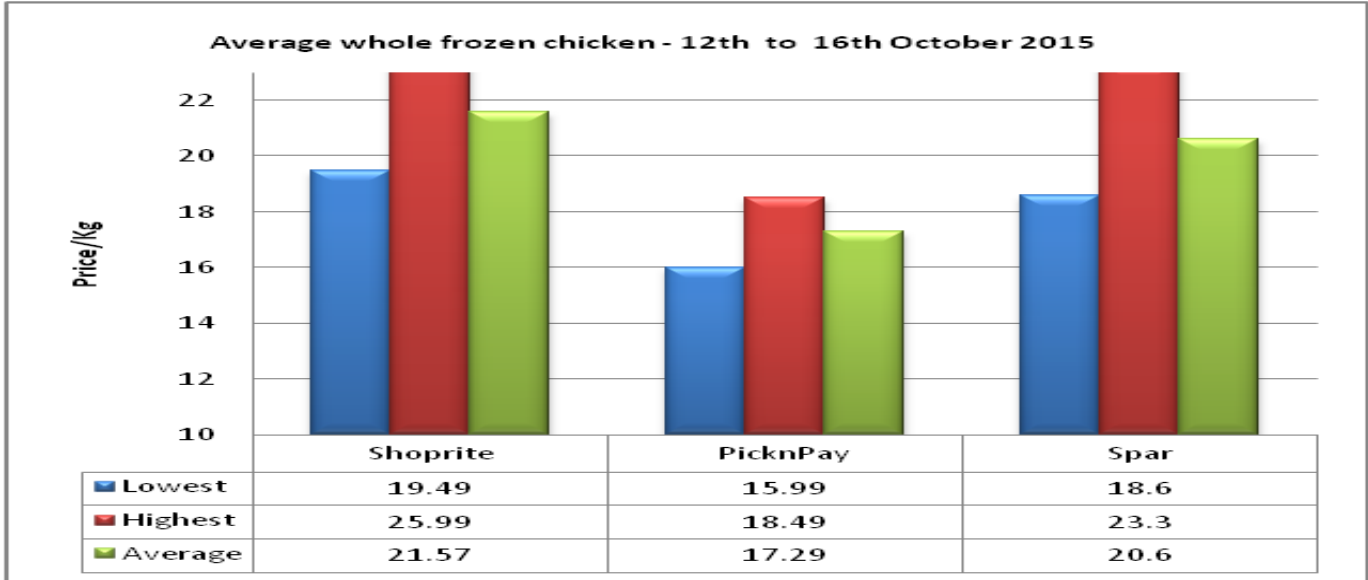
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## AVERAGE WHOLE DRESSED CHICKEN PRICES

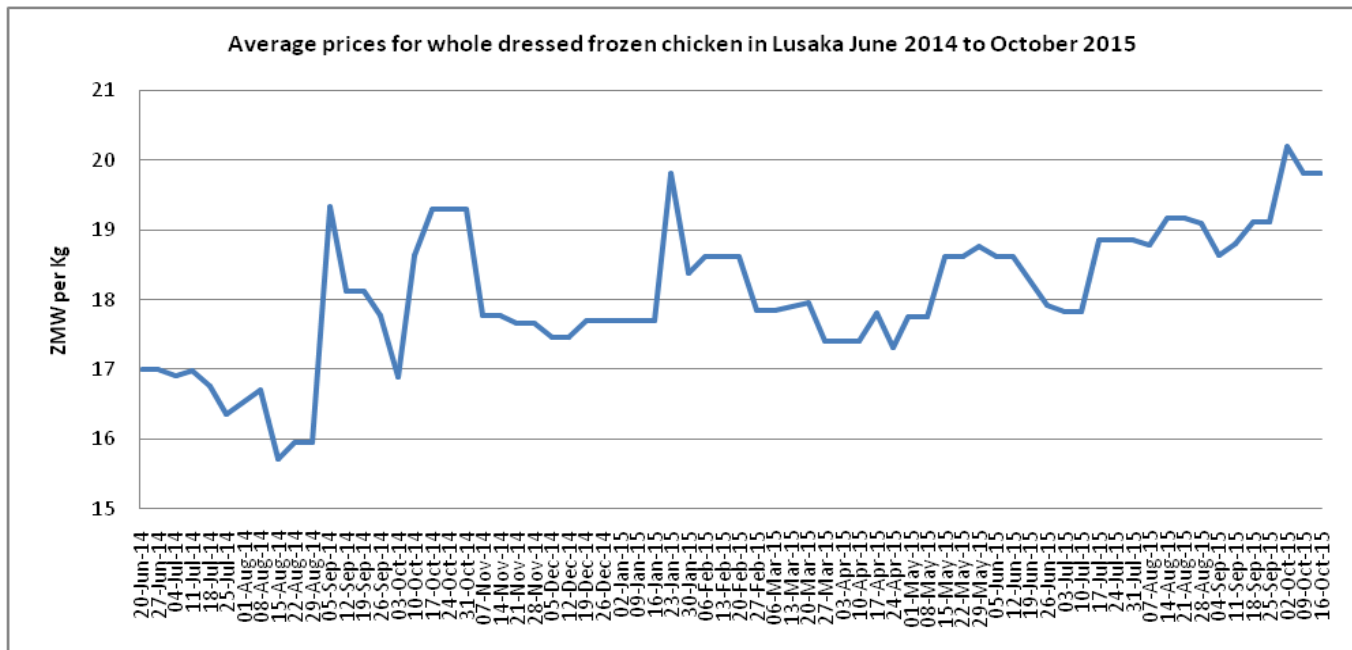
**Graph 1** shows average prices of whole frozen chickens in the three chain stores around Lusaka. The average price of frozen whole chicken in Pick n' Pay during the week was ZMW17.29/kg with the lowest and highest going for ZMW15.99/kg and ZMW18.49/kg respectively. On the other hand, the average price in Shoprite was ZMW21.57/kg with the lowest going for ZMW19.49/kg and the highest going for ZMW25.99/kg. The average price for frozen whole chicken in Spar was ZMW21.76/kg with the lowest and highest priced frozen whole chicken going for ZMW18.60/kg and ZMW23.30/kg respectively.

Graph 1



Source: Poultry Association of Zambia

The graph below shows the average price trend for whole frozen chicken in Lusaka from June 2014 – October 2015. The graph shows that the average price of frozen chicken remained stable during the course of the week at ZMW19.82 per kg.



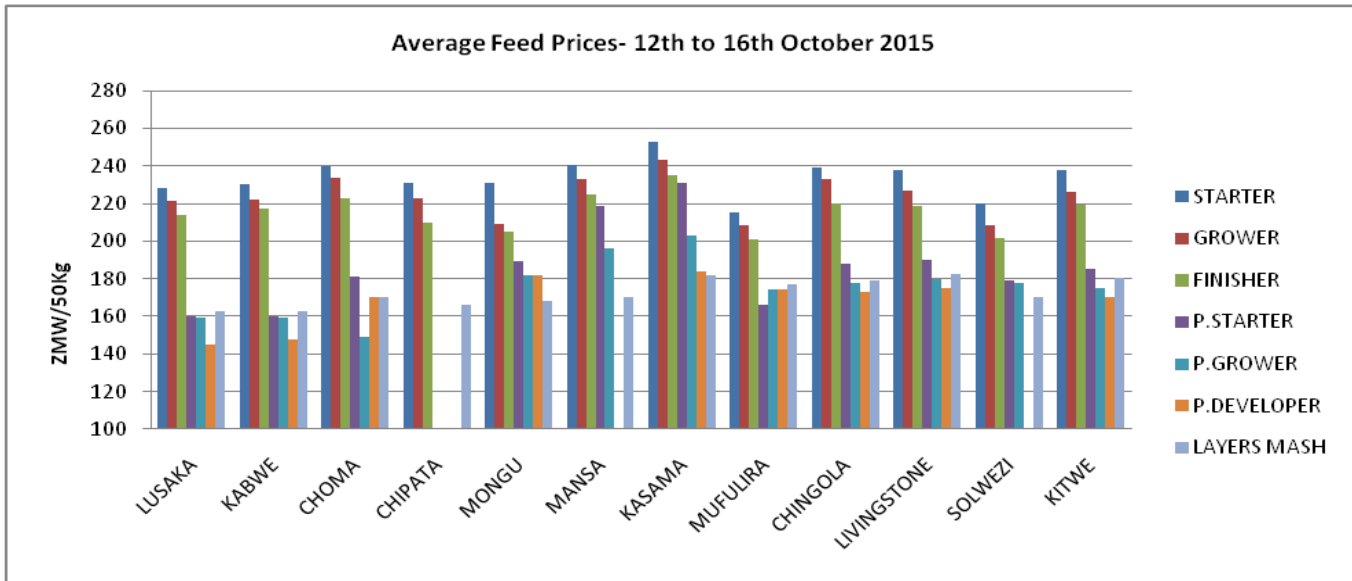
Source: Poultry Association of Zambia

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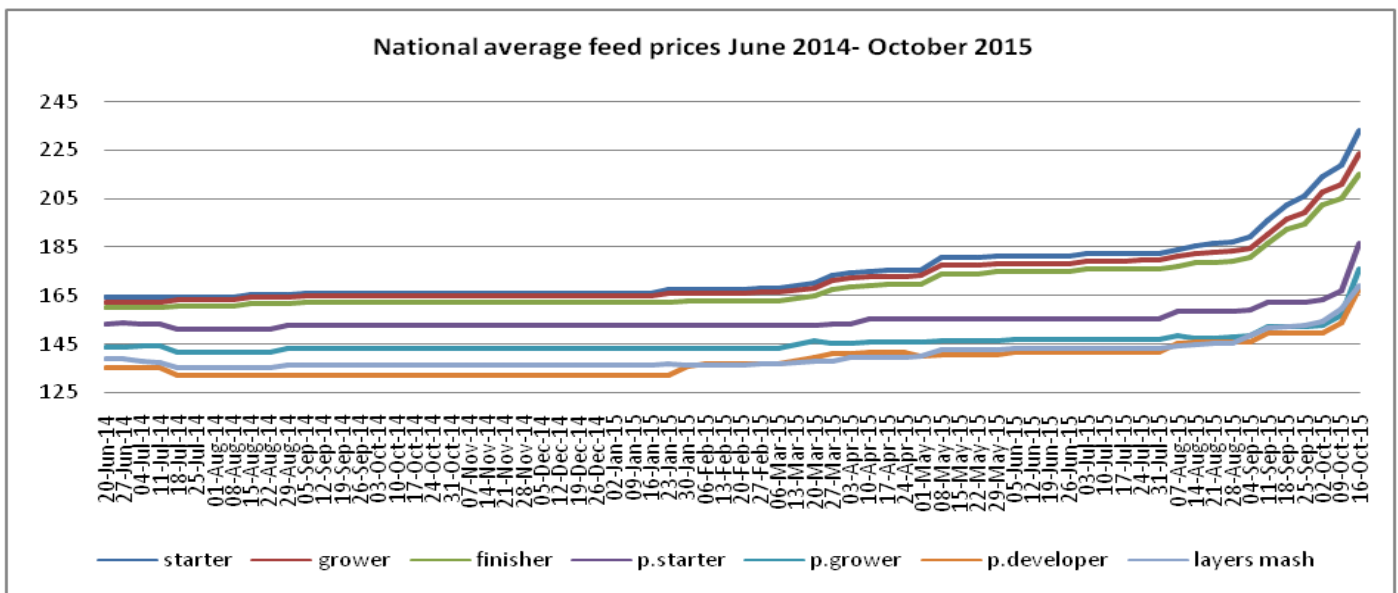
## AVERAGE FEED PRICES

The graph below shows average feed prices in selected towns. The graph shows that most towns have experienced upward adjustments in the cost of feed. While this is attributed to the general increase in the cost of doing business, the major contributing factor is the increase in the cost of inputs caused by the weakening of the kwacha.



Source: Poultry Association of Zambia

The graph below shows the national average price trend of feed prices from June 2014 to October 2015. The graph shows that all types of feed are experiencing an upward trend in terms of prices due to the increased cost of production.



Source: Poultry Association of Zambia

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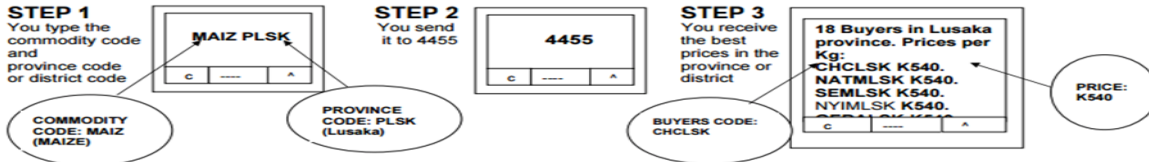


# ALERTS!!!!!!!

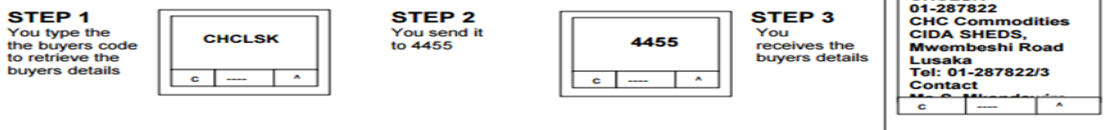
Look out for the *Zambian Farmer TV Programme* every Monday at 18:25 hours on ZNBC TV1

## ZNFU Market Price Information

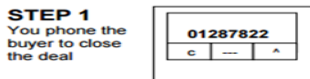
### STAGE 1: Getting market prices



### STAGE 2: Getting buyers details



### STAGE 3: Contacting buyer



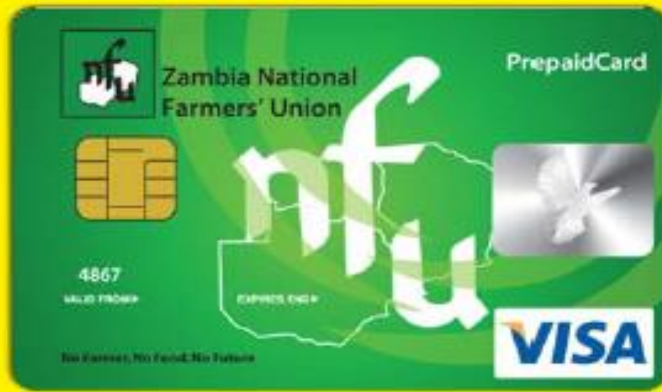
ZNFU System Operator 097 773 003  
ZNFU Operator Email [marketinfo@znfu.org.zm](mailto:marketinfo@znfu.org.zm)  
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