



THE WEEKLY AGRO WATCH



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Industry Updates

BANK OF ZAMBIA INCREASES DAILY FOREIGN CURRENCY DEPOSITS TO US\$100,000

The Bank of Zambia has with immediate effect increased foreign currency daily cash deposits for registered companies and organizations to US\$100,000.00, while for individuals the daily limit is now at US\$20,000. This directive is contained in circular number 18/2015 of the Bank of Zambia. In terms of daily foreign currency cash withdrawals by registered companies, organization and individuals, BOZ has set the limit at US\$5,000.00 per day.

KWACHA DEPRECIATION WOES FORECAST TO 2019

The Economic Intelligence Unit (EIU), in its October report on Zambia has forecast that the kwacha will average ZMW12.9/US\$ in 2016. Political uncertainties and the twin fiscal and current account deficits are expected to cause further depreciation of the local unit beyond 2016. While stronger copper prices and quickening economic growth are expected to moderate the rate of depreciation, the EIU has forecast that the exchange rate will average ZMW14.50/US\$ in 2019. The EIU has further forecast the annual inflation rate to quicken to 8.8% in 2016 as prices are pushed up by further currency depreciation, a pre-election spending splurge and rising world commodity prices.

Exchange Rates

CURRENCY	19/10/2015						19/10/2015					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
FNB	12.00	12.25	0.89	0.90	18.43	18.8	12.22	12.46	0.94	0.96	18.87	19.25
Standard Chartered Bank	12.04	12.28	0.88	0.90	18.48	18.85	12.16	12.40	0.94	0.95	18.78	19.16
ZANACO	12.19	12.36	0.88	0.90	18.58	18.95	11.81	12.05	0.90	0.92	18.20	18.56
Bank of Zambia	12.08	12.095	0.889	0.891	18.51	18.54	11.997	12.02	0.908	0.909	18.57	18.61

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Commodity Prices

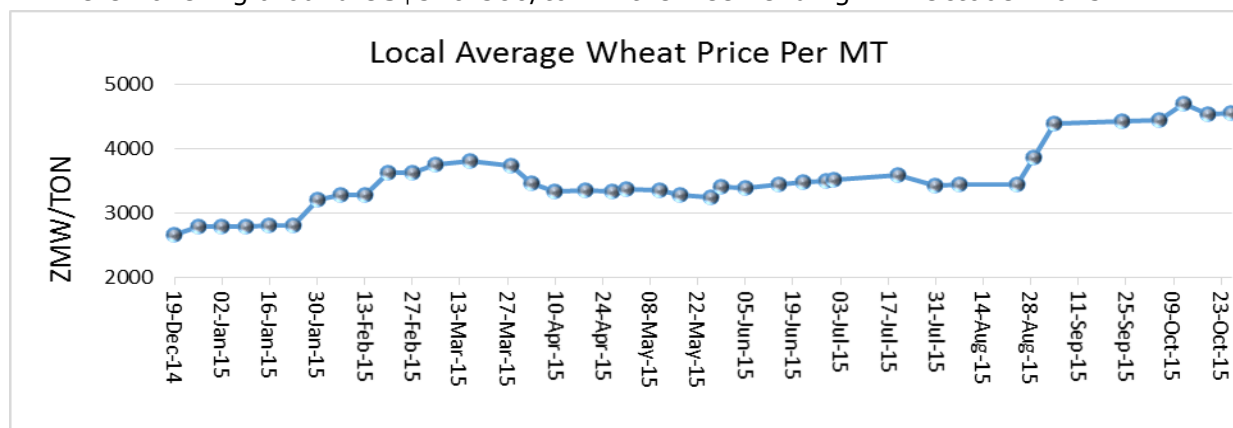
Average Prices of Selected Commodities in Various Districts as at 16th October 2015.

	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

Wheat

Highlights

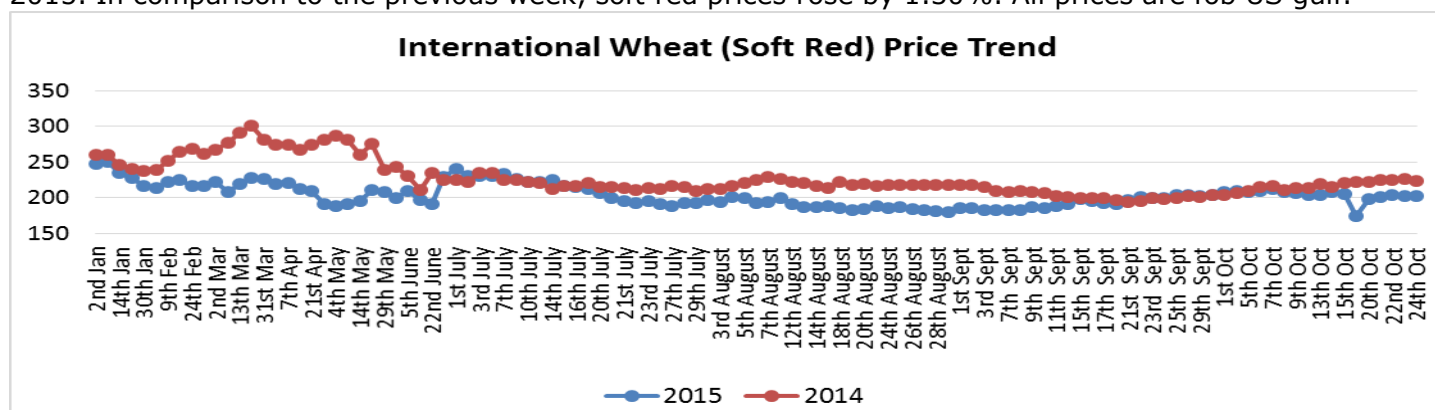
- With harvesting in progress, some parts of Western Cape, South Africa's largest wheat producing regions, are showing below average yields on account of dry weather. Currently, South Africa's wheat production estimates for 2015 stand at 1.635 million tons with the Western Cape accounting for about 47 percent.
- Meanwhile, Ethiopia is also seeking to import about 1 million tons of wheat over the next four months. Ethiopia is the largest wheat producer in sub-Sahara region and had a production of about 3.9 million tons in the 2014/15 year.
- Indicative local offer prices, captured through the ZNFU market price Information system were hovering around US\$370-380/ton in the week ending 27th October 2015.



Source: ZNFU 4455 Information System.

Price trends

The Safex international soft red wheat averaged US\$201.83/ton in the week ending 27th October 2015. In comparison to the previous week, soft red prices rose by 1.30%. All prices are fob US gulf.



Source: Safex

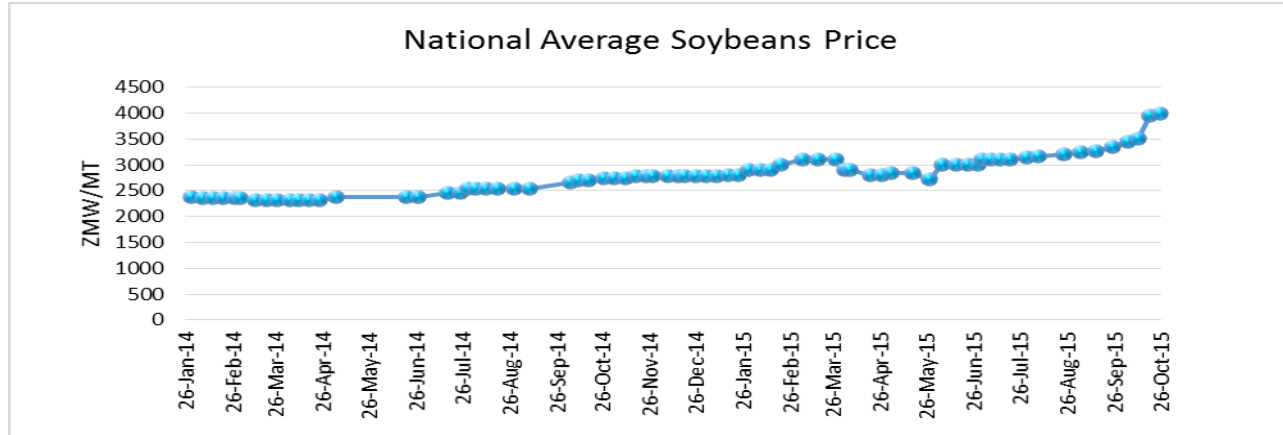
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Soya Beans

Highlights

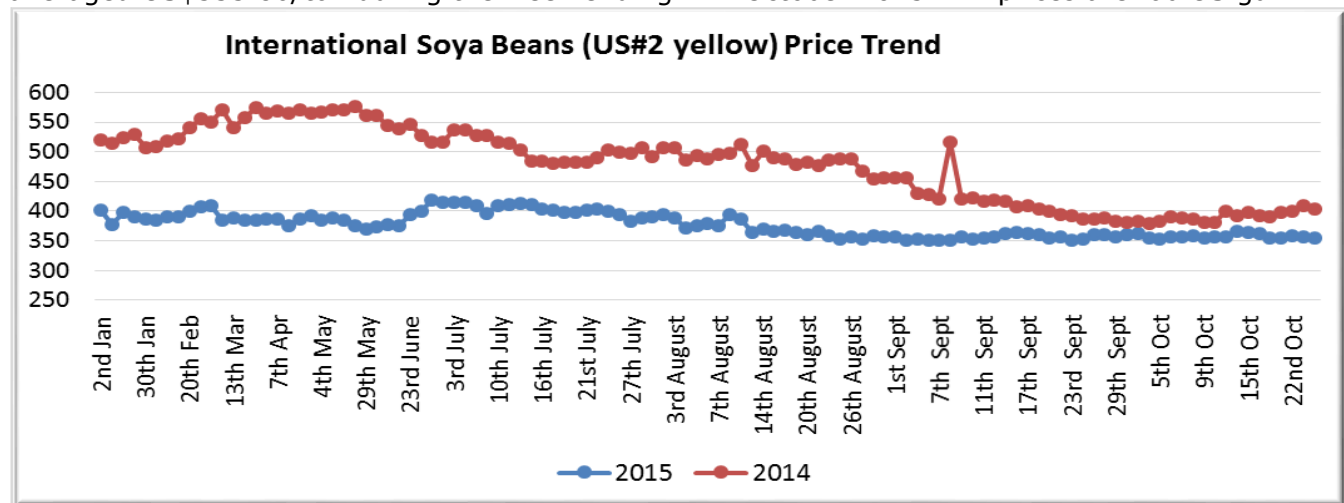
- With about 77 percent harvest completed, indications are that US soya beans yields are higher than initially estimated. The country's stock levels are therefore anticipated to increase as the western powerhouse struggles to compete on the export market. The 2015/16 soya beans exports by the USA, as at 26th October, were about 28 percent lower than the previous year's exports.
- Soybeans offer prices by traders captured by the ZNFU 4455 price information system were averaging K4, 000/ton in the week ending 23rd October, 2015.



Source: ZNFU, 4455 Market Price Information System

Price trends

International prices of US No. 2 yellow soya beans on Safex traded lower by 1.33 percent and averaged US\$355.86/ton during the week ending 24th October 2015. All prices are fob US gulf.



Source: Safex

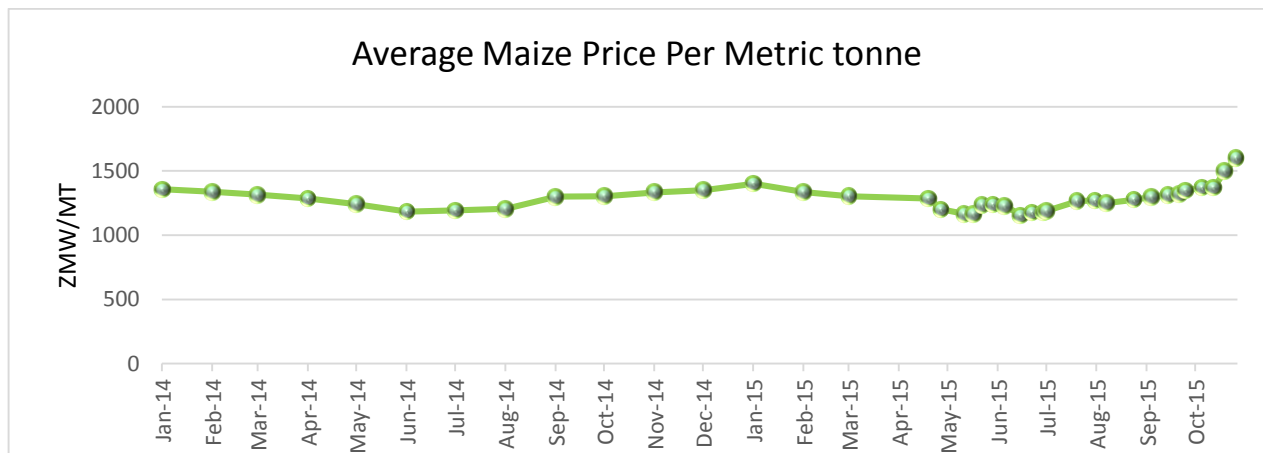
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Maize

Highlights

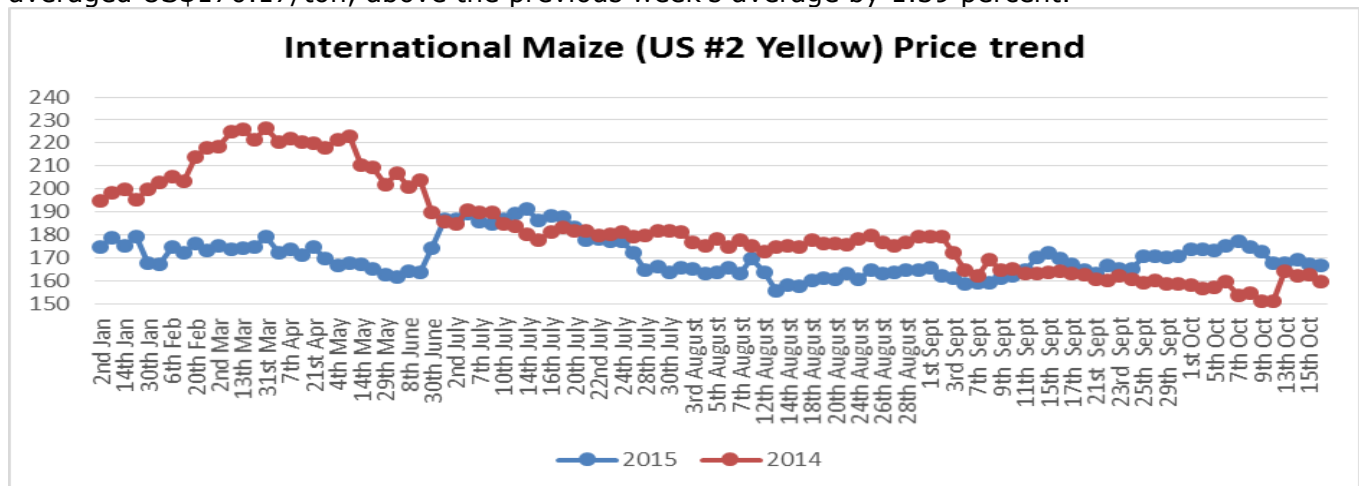
- An assessment done by the World Food Programme are projecting that maize prices in Malawi will be about 55 percent above the country's three year average between October and December 2015. Malawi has an estimated maize deficit of 22,723MT.
- In order to mitigate the shortfalls in maize supply, the Malawian government has so far purchased just over 55,000MT of maize from Zambia.
- On the local scene, indications are that Government will offload maize at K85/50 kg bag to millers in an effort to reduce consumer prices on the market.
- Indicative local offer prices were averaging K1.6/Kg with the highest offer pegged at K2.3/kg on the ZNFU market price information system.



Source: ZNFU, 4455 Market Price Information System

Price trends

During the week ending 24th October 2015, international maize fob prices as recorded by Safex averaged US\$170.17/ton, above the previous week's average by 1.39 percent.



Source: Safex

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Cotton

Highlights

- According to the International Cotton Advisory Council (ICAC), from a survey of 12 large cotton trading countries, subsidies to the cotton industry by respective governments rose from 15cents/ pounds (\approx US\$0.33/kg) in 2012/13 to 22cents per pound (\approx US\$0.48/kg) in 2014/15.
- Meanwhile, as the WTO meeting scheduled for December in Nairobi draws closer, the US National Cotton Council has opposed any efforts to further limit its cotton policy that may arise in the December meeting. The US direct assistance to cotton production is estimated at US\$0.07/pound (\approx US\$0.15/kg) by its national cotton council.
- The current U.S farm bill focuses on production and price risk management, with government-subsidized crop insurance as the primary instrument.
- New York Market cotton prices for December delivery pegged at US\$0.6213/pound (US\$1.37/kg) on 27th October 2015 while Cotlook "A" index prices were pegged at US\$0.6935/pound (\approx US\$1.53/kg).

Crude oil

- Though still above the August 2015 historic lows, international crude oil prices have continued on their downward trend. This time, the drop has been supported by reports of a supply glut of refined oil which has slowed down the uptake of crude.
- Brent crude oil prices were about US\$47.28/barrel while WTI was pegged at US\$43.59/barrel on 27th October 2015.
- Oman's settlement price for December delivery was pegged at US\$43.75/barrel on the Dubai Mercantile Exchange during the early hours of trade on 27th October 2015.

Brent Crude Oil Futures \$/barrel



Source: BBC Business, 2015

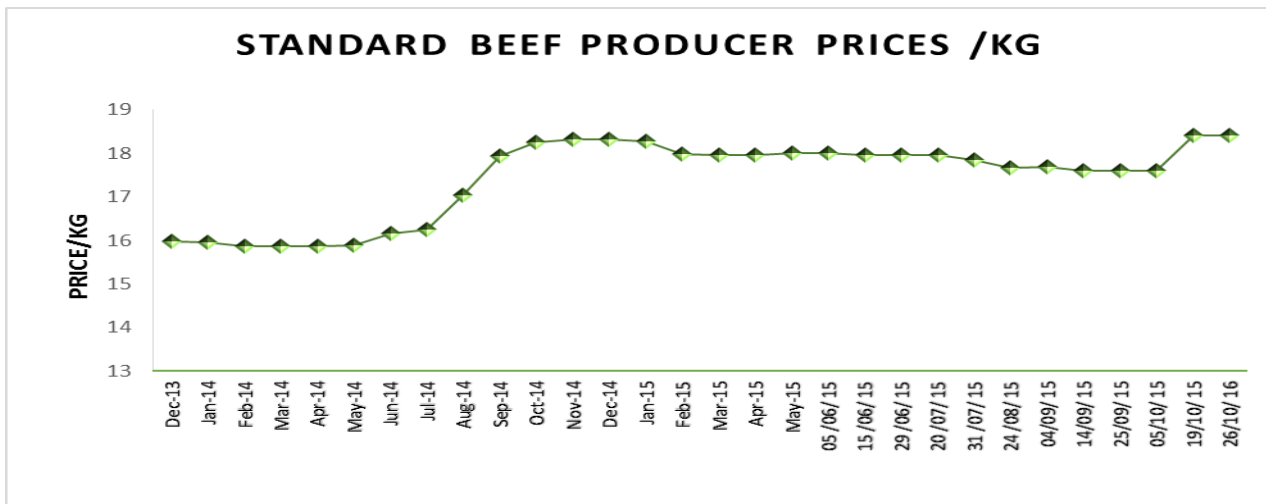
Beef

- US beef exports to Canada and Mexico are down in 2015 mainly due to stiff competition from Brazil. Exports into the US traditional markets of Japan and South Korea have however more than offset the drop in the North American markets bringing the US total exports of fresh, chilled or frozen cuts of beef for 2015 to 100,000MT as at 5th October 2015. This is higher than the 75,000MT recorded over the same period last year.
- Meanwhile the Meat Industry has reacted to the World Health Organisation labelling processed meat as "carcinogenic to humans". The meat industry has reacted by saying that consumers do not need to change meat-eating habits as there is limited evidence of meat being carcinogenic.

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- According to the ZNFU market price information system, local dressed weight beef offer prices were averaging K18.4/Kg in the week ending 23rd October 2015. The graph below shows local beef price trends;

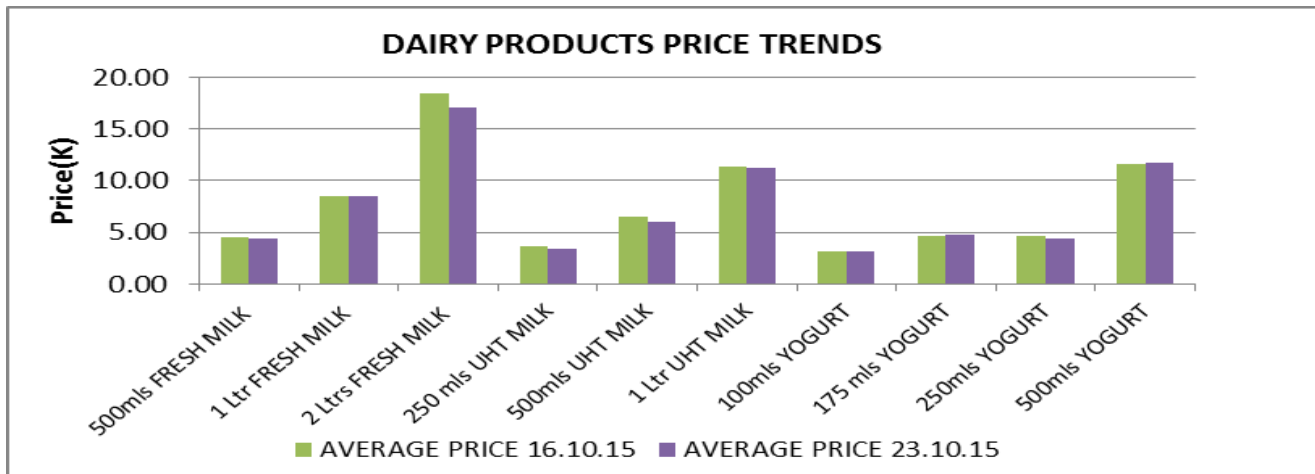


Source: ZNFU, 4455 Market Price Information System

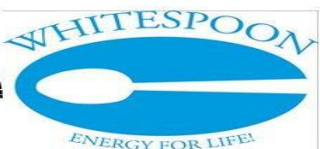
Dairy Price for the week ending 23rd October 2015

LOCAL AVERAGE PRICES OF DAIRY PRODUCTS

The average prices of most dairy products recorded price reductions of 3- 8 percent, between 16th and 23rd October 2015, save for a 1 litre price of UHT milk and 100mls yoghurt which had fairly stable prices while that of a 175mls pack of yoghurt increased by 4 percent.



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DAIRY FEED AVERAGE PRICES

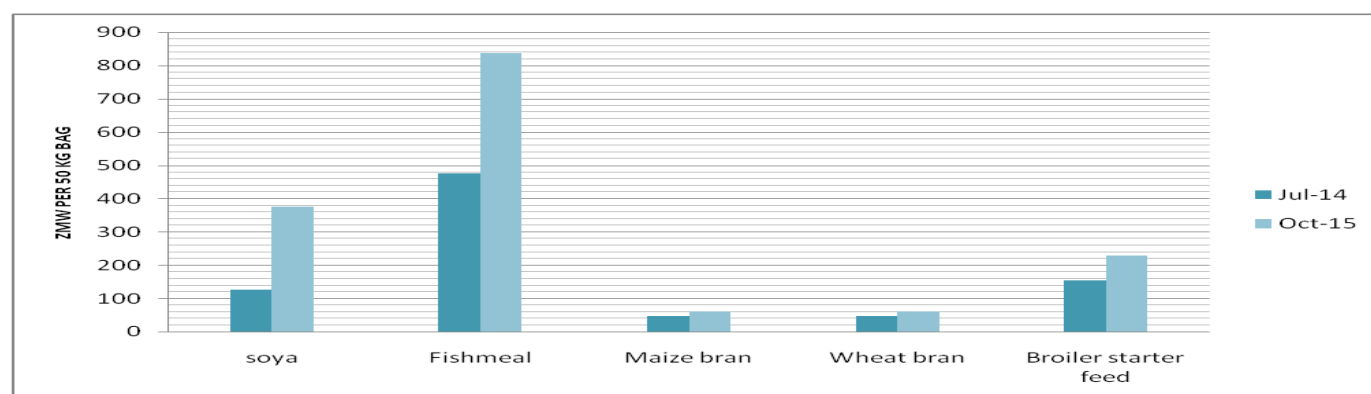
The table below tracks the upward movement in local dairy feed prices between May and October 2015.

DAIRY FEEDS					
SER.	PRODUCT	AVERAGE PRICE (K) 24.05.15	AVERAGE PRICE (K) 26.06.15	AVERAGE PRICE (K) 25.09.15	AVERAGE PRICE (K) 23.10.15
1	50 kg DAIRY 19	125	129	146	146
2	25 kg DAIRY CONCENTRATES	80	82	83	86
3	50kg DAIRY MEAL	140	143	153	157
4	50kg CALF STARTER (Mash)	150	149	159	162
5	50kg CALF STARTER (pellets)	176.0	143.0	167.7	168.0
6	50kg MILK REPLACER	455	460	447	450
7	50kg SUNFLOWER CAKE	50	57	68.75	75
8	50kg COTTON SEED CAKE	90	105	126.5	130
9	50kg SOYA MEAL	280	285	310	320
10	50kg No.3 MEAL	40	42	55	57
11	25kg MAIZE BRAN	22	24	28.5	39

Poultry Updates for the Week ending 23rd 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 2015 year. The graph shows significant changes in the price of inputs leading to higher stock feed prices.



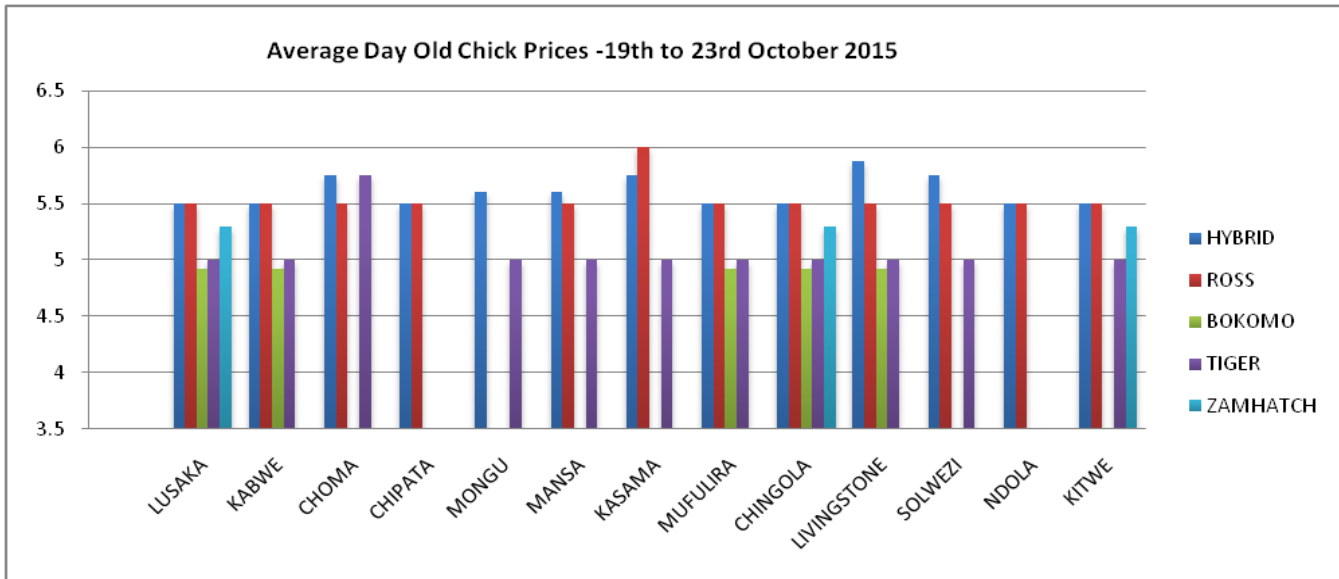
Source: Poultry Association of Zambia

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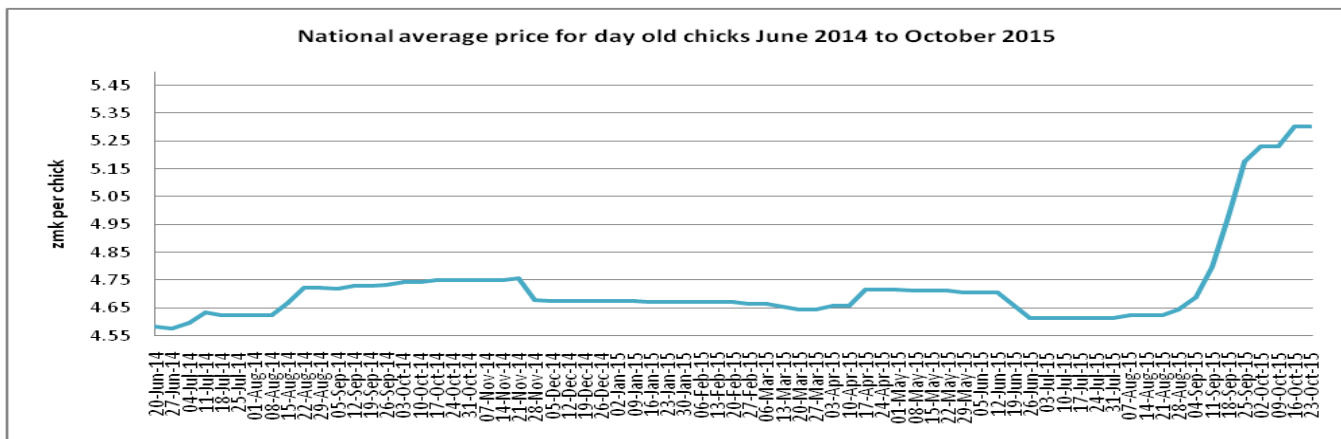
AVERAGE DAY OLD CHICK PRICES

The graph below shows the price of different breeds of day old chicks in selected towns. The graph shows that the cheapest day old chick on the market costs ZMW5 while the highest is at ZMW6. However prices of day old chicks were stable during the course of the week with no notable changes in all towns displayed.



Source: Poultry Association of Zambia

The graph below shows the national average price trend for day old chicks from June 2014 to October 2015. The graph, further shows that the national average price of day old chicks is currently at ZMW5.30 which is 11.5% higher than the national average during the same period in 2014.



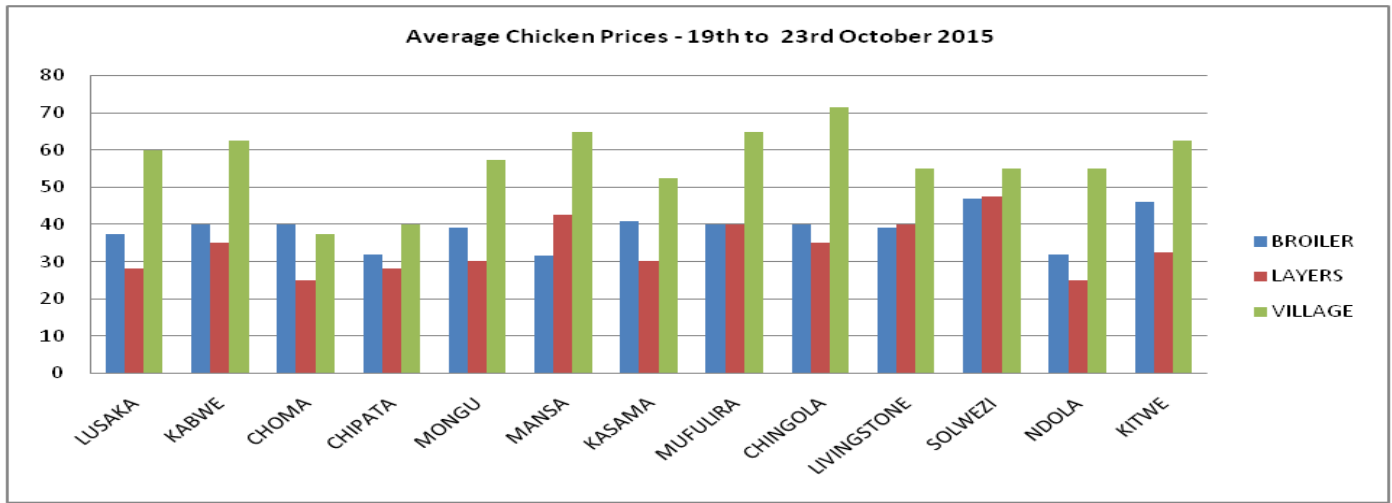
Source: Poultry Association of Zambia

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. While most towns are still facing price resistance, farmers in Kitwe and Solwezi have pushed their broiler prices up by 27.7% and 12% respectively. The average price in Kitwe and Solwezi has moved from ZMW36 to ZMW46 and from ZMW42 to ZMW47 respectively.

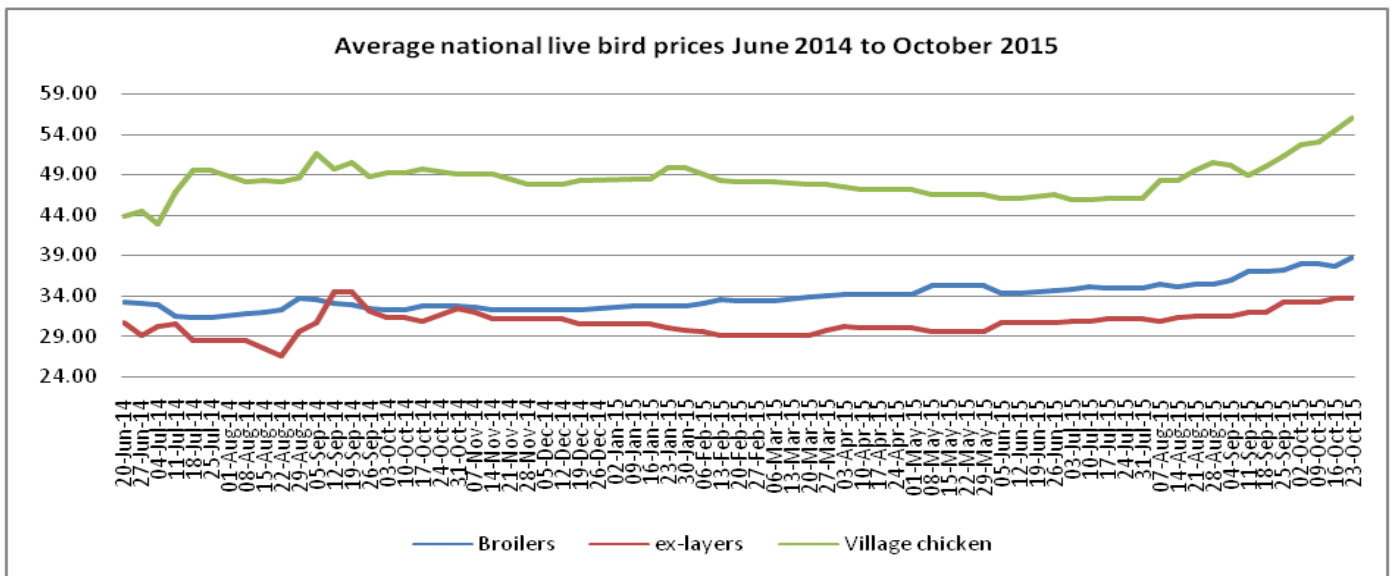
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Source: Poultry Association of Zambia

The graph below shows the national average price trends for broilers, ex-layers and village chickens. The graph shows an increase in the national average price of village chickens and broilers. On the other hand, the national average price of ex layers has remained stable. The graph further shows that the price of broiler chicken, ex-layers and village chicken has gone up by 18%, 9% and 13% respectively on a year-on-year comparison.

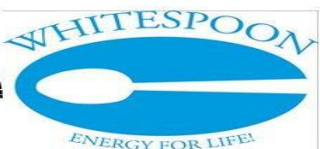


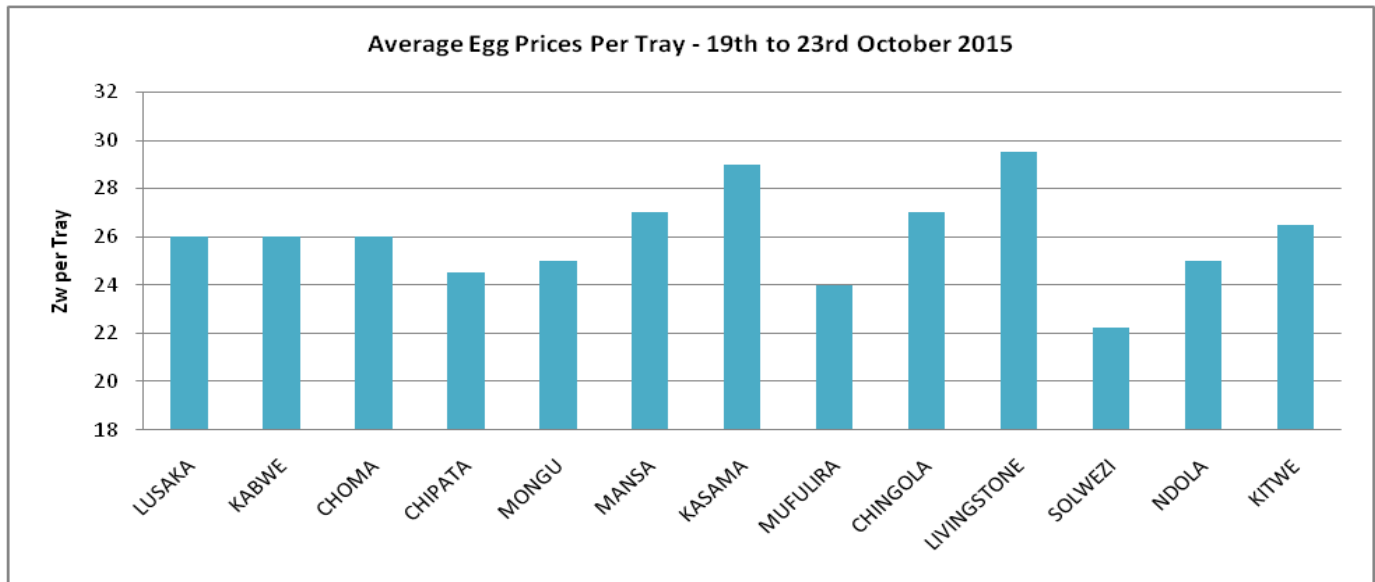
Source: Poultry Association of Zambia

AVERAGE EGG PRICES

The graph below shows average retail prices of table eggs in selected towns around the country. The graph shows that the highest average price for eggs is ZMW27 in Livingstone. The graph further shows that Solwezi has the lowest average price at ZMW22.5. This low average price is caused by a huge supply of eggs in the district caused by an influx of eggs coming from the Copperbelt as well as increased supply from the district itself.

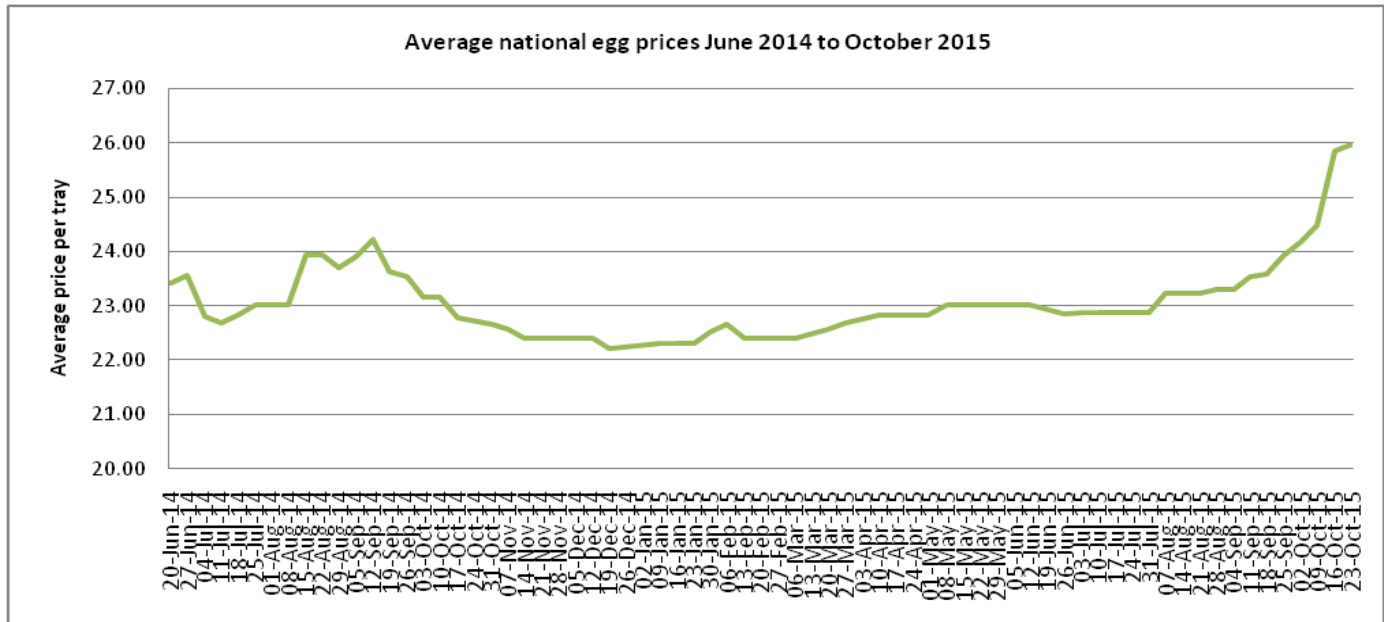
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Source: Poultry Association of Zambia

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 is currently at ZMW25.98. This price is 14% higher than the average price during the same period last year.



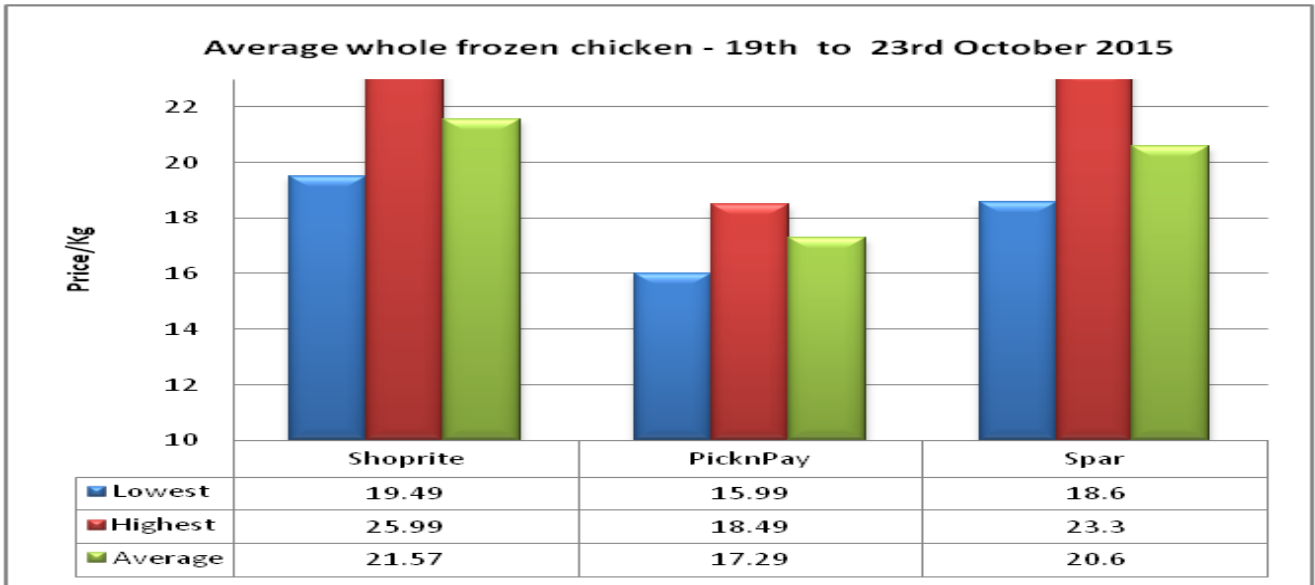
Source: Poultry Association of Zambia

AVERAGE WHOLE DRESSED CHICKEN PRICES

Graph 1 shows average prices of whole frozen chickens in the three chain stores around Lusaka. The graph shows that Pick n' Pay has the lowest average price at ZMW17.29/kg. Meanwhile the lowest and highest price is going for ZMW15.99/kg and ZMW18.49/kg respectively. On the other hand, the average price in Shoprite was ZMW21.57 with the lowest going for ZMW19.49/kg and the highest going for ZMW25.99 per kg respectively. 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 and ZMW23.30 respectively.

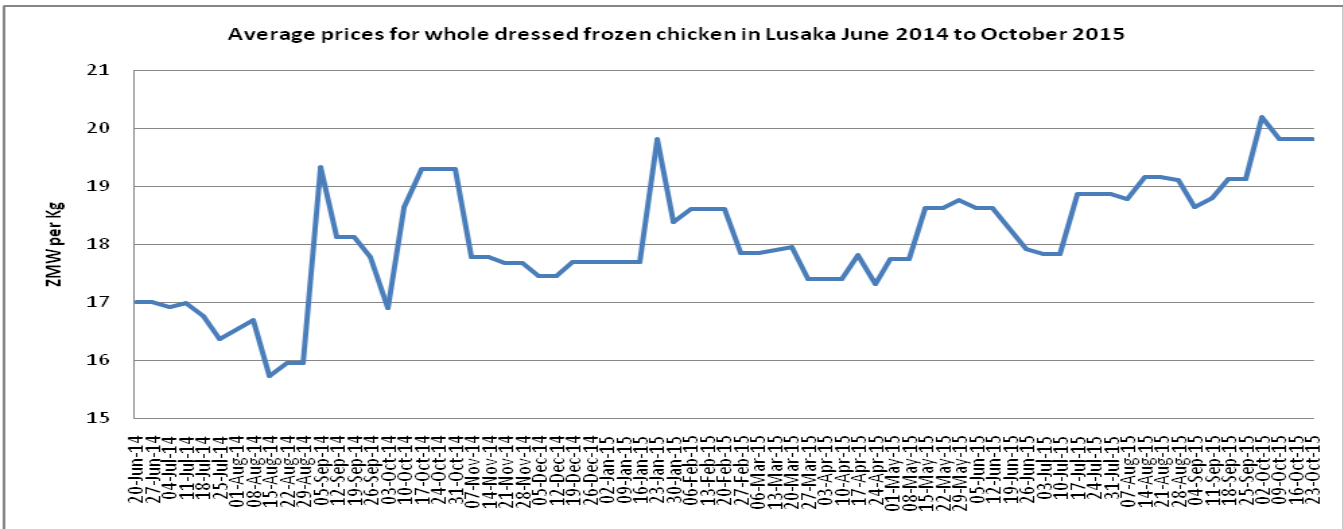
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Source: Poultry Association of Zambia

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 in the past two weeks at ZMW19.82 per kg.



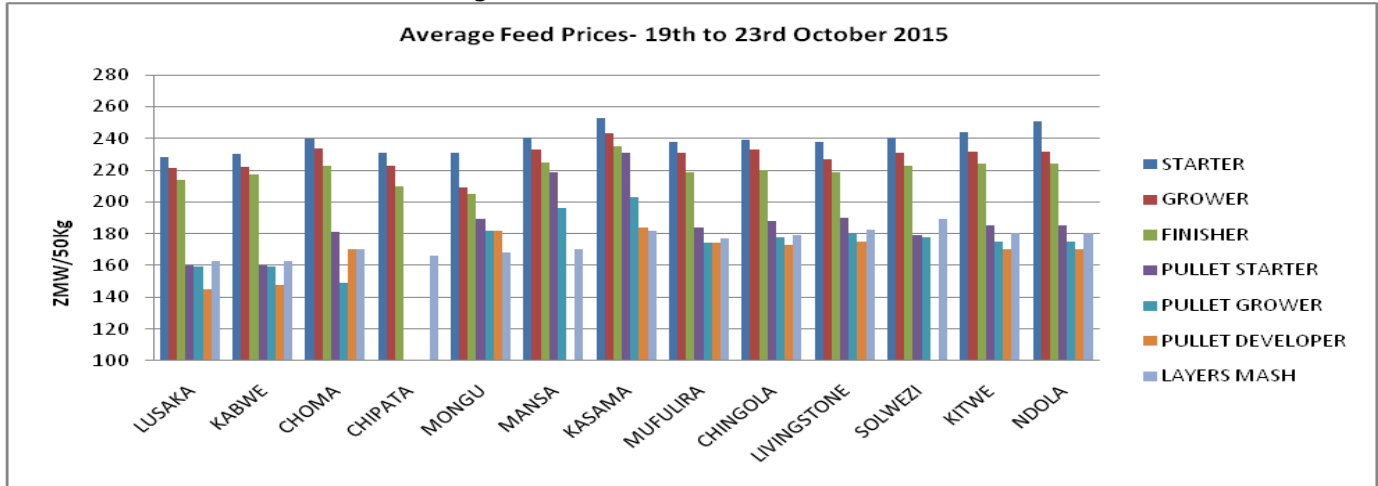
Source: Poultry Association of Zambia

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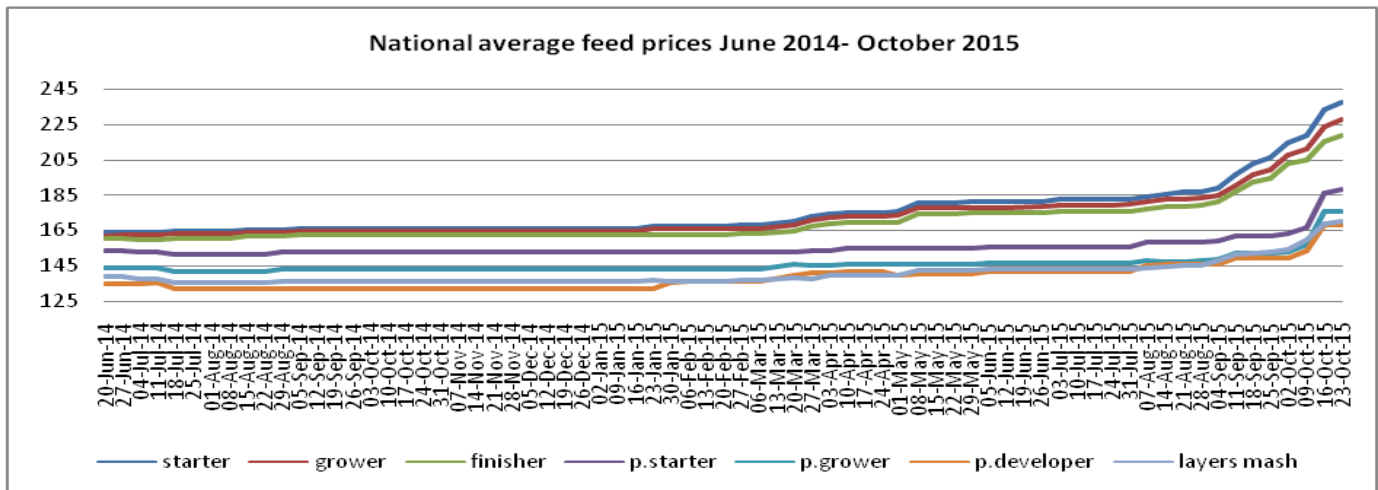
AVERAGE FEED PRICES

The graph below shows average feed prices in selected towns. Upward price adjustments were made in some towns during the course of the week. These price adjustments have been attributed mainly to the devaluation of the Kwacha against the dollar.



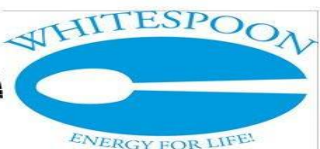
Source: Poultry Association of Zambia

The graph below shows the national average price trend of feed prices from June 2014 to October 2015. The graph shows an uptrend in the national average price of feed. Compared to a similar period of last year the price of broiler starter, grower and finisher are up by 43%, 38% and 35%. On the other hand the price of pullet starter, pullet grower, pullet developer and layers mash are up by 23, 23, 27, and 25% respectively.



Source: Poultry Association of Zambia

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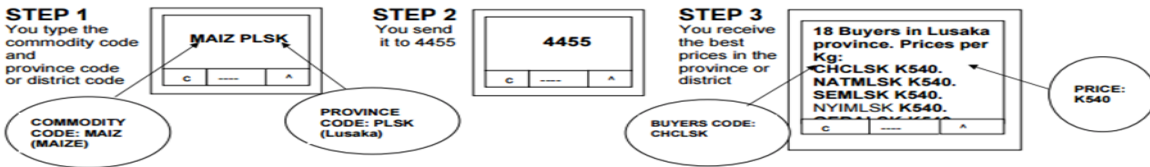


ALERTS!!!!!!!

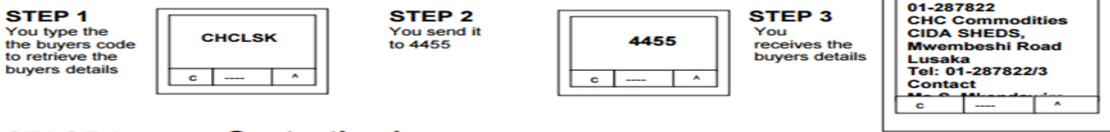
Look out for the *Zambian Farmer TV Programme* every Monday at 18:25 hours on ZNBC TV1

ZNFU Market Price Information

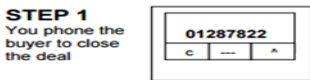
STAGE 1: Getting market prices



STAGE 2: Getting buyers details



STAGE 3: Contacting buyer



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

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