



# THE WEEKLY AGRO WATCH



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2<sup>nd</sup> November, 2015 Vol.43

## Industry Updates

### Trade Deficit rises by over 150%

Zambia's trade deficit was recorded at K1, 819.5 million in September 2015 by the Central Statistical Office. This is 150.9 percent above the August 2015 record. The increase in trade deficit has been supported by the devaluation of the local unit. For the third quarter of 2015, the kwacha value of imports has been rising while that of export has been steadily falling. The September 2015 deficit is the highest monthly deficit on record since 2000.

## Exchange Rates

CURRENCY	02/11/2015						26/10/2015					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
FNB	12.44	12.70	0.91	0.93	19.20	19.59	12.00	12.25	0.89	0.90	18.43	18.8
Standard Chartered Bank	12.43	12.68	0.91	0.93	19.20	19.58	12.04	12.28	0.88	0.90	18.48	18.85
ZANACO	12.47	12.71	0.91	0.92	19.23	19.61	12.19	12.36	0.88	0.90	18.58	18.95
Bank of Zambia							12.08	12.095	0.889	0.891	18.51	18.54

## Wheat

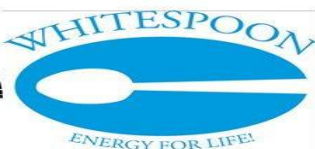
### Highlights

- Weather seems to be challenging Australia's 2015/16 wheat crop forecast at 25.28 million tons. After facing hot dry weather, Western Australia, the country's largest wheat producing region was hit by Hail and frost. Market sentiments are that the country's crop harvest will come down to about 23-24 million tons.
- Argentina is another Southern hemisphere state with reduced optimism on its wheat crop and expects a 16 percent reduction in this year's wheat harvest to 9.5 million tons. The weather challenges saw wheat prices on the international market end slightly higher.

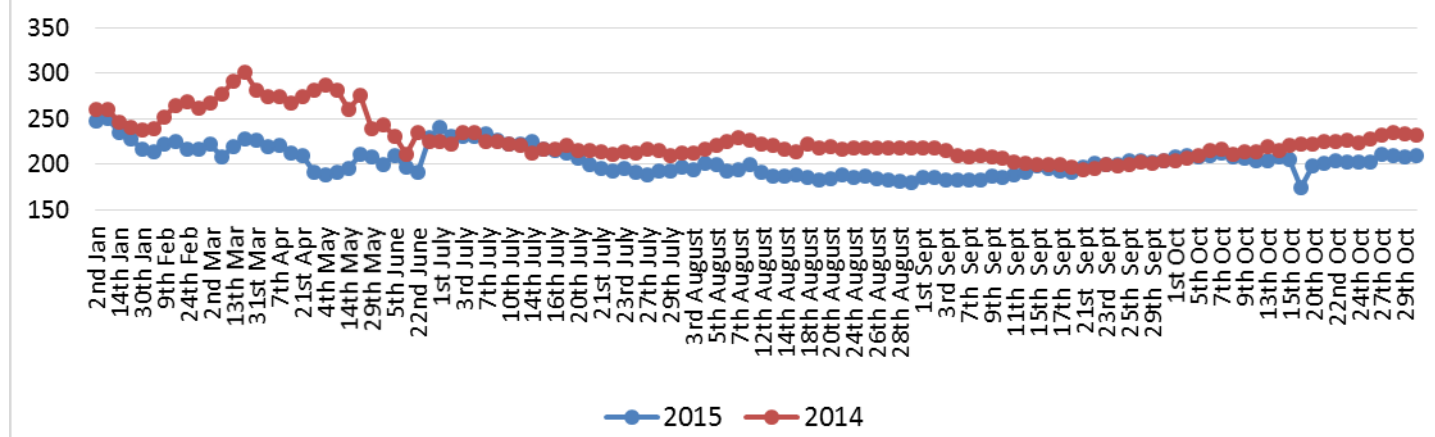
### Price trends

The Safex international soft red wheat averaged US\$208.46/ton in the week ending 30<sup>th</sup> October 2015. In comparison to the previous week, soft red prices rose by 3.29%. All prices are fob US gulf.

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## International Wheat (Soft Red) Price Trend



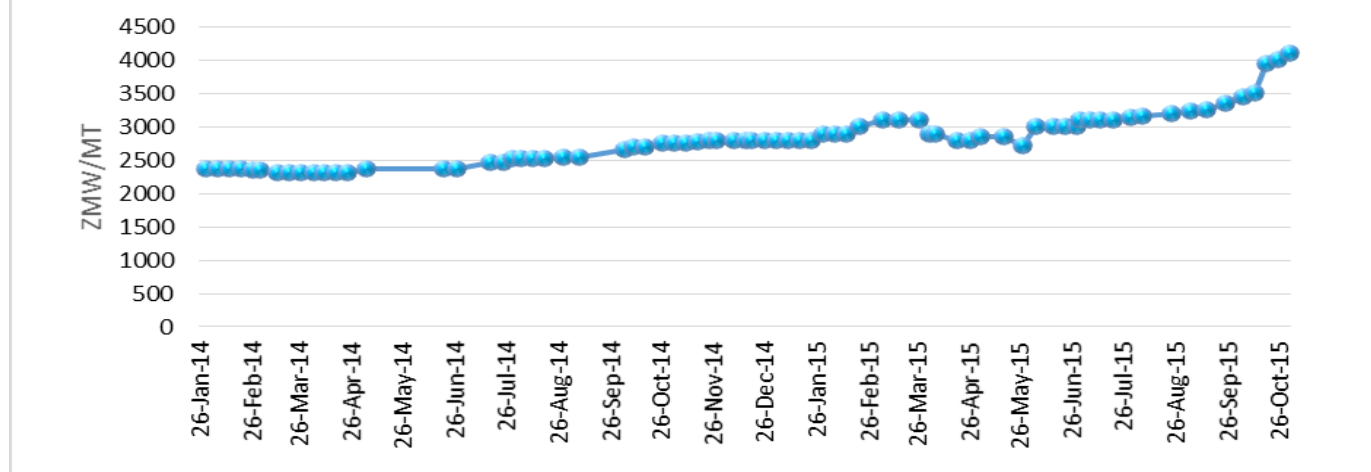
Source: Safex

## Soya Beans

### Highlights

- Dry weather has slowed down Brazil's soya beans plantings with indications that the irregular rain may cause other farmers to replant. According to the national estimates, Brazil's 2015/16 soya beans plantings are expected to increase in area by 3.6 percent and production rise to 101.9 million tons from the 96.2 million tons produced in the previous season. The attractive export price of the oilseed during the 2014/15 marketing season due to the depreciation of the Brazilian Real attracted more interests in growing the crop.
- Soybeans offer prices by traders captured by the ZNFU 4455 price information system were averaging K4, 100/ton in the week ending 30<sup>th</sup> October, 2015.

## National Average Soybeans Price



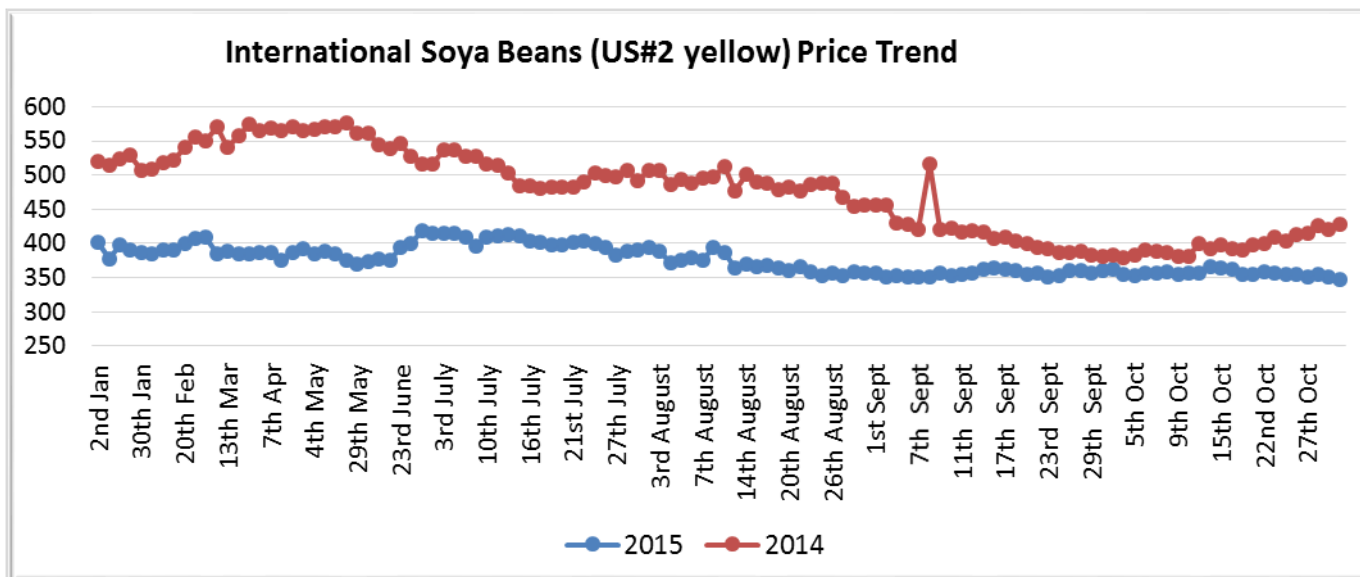
Source: ZNFU, 4455 Market Price Information System

### Price trends

International prices of US No. 2 yellow soya beans on Safex traded lower by 1.10 percent and averaged US\$351.93/ton during the week ending 30<sup>th</sup> October 2015. All prices are fob US gulf.

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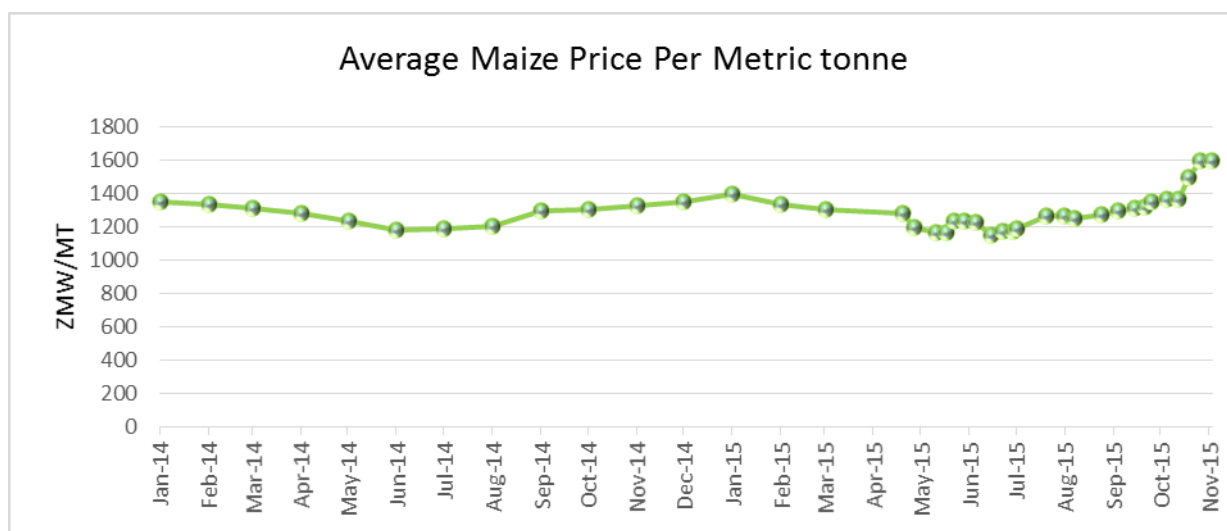
Source: Safex

## Maize

### Highlights

South Africa's maize plantings in the 2015/16 agricultural season are anticipated to drop by 3.85 percent to 2.55 million hectares from the previous season's plantings of 2.65 million hectares. Meanwhile fears of drought have continued pushing up the South African maize prices and hit the 2015 highest peak on Monday.

- 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

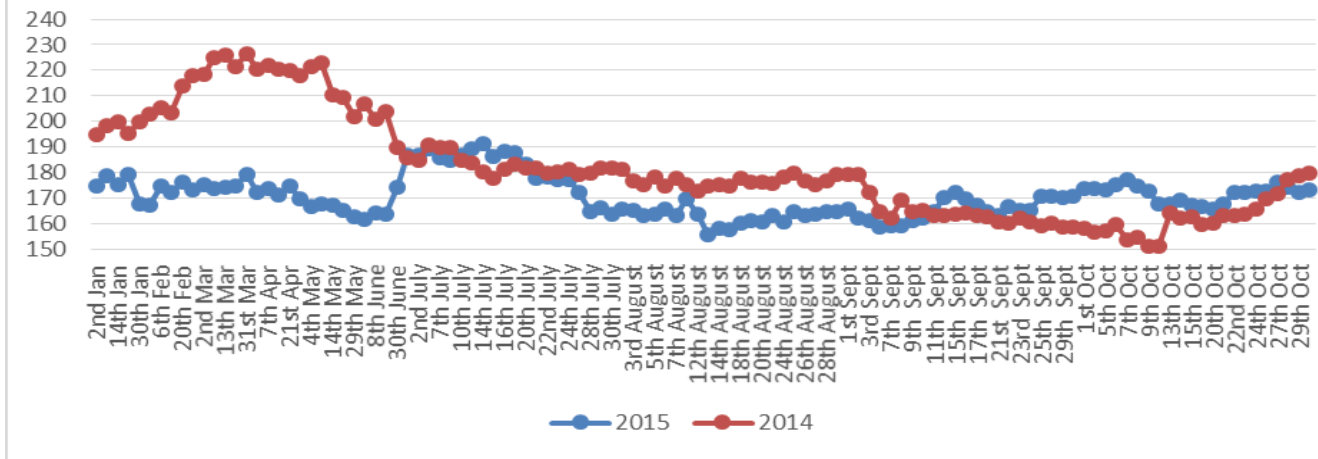
### Price trends

During the week ending 30<sup>th</sup> October 2015, international maize fob prices as recorded by Safex averaged US\$173.78/ton, above the previous week's average by 2.12 percent.

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## International Maize (US #2 Yellow) Price trend



Source: Safex

## Cotton Highlights

- Kazakhstan is set to harvest the lowest crop on record in 2015. According to Cotlook, preliminary estimates indicate a seed crop harvest of 125,000-130,000MT which will yield about 40,000-42,000MT of cotton lint. This is below the expected 55,000MT due to low temperatures and heavy rains which have affected the country's harvest. Meanwhile the US cotton harvest pace seems to be slightly above last year's pace with 50% of the crop harvested as at 1<sup>st</sup> November but it is still below the five year rolling average of 54 percent. Increased optimism of the US cotton harvest is likely to exert some downward pressure on the international prices but nothing significant.
- New York Market cotton prices for December delivery pegged at US\$0.6341/pound (US\$1.40/kg) on 27<sup>th</sup> October 2015 while Cotlook "A" index prices were pegged at US\$0.6975/pound (≈US\$1.53/kg).

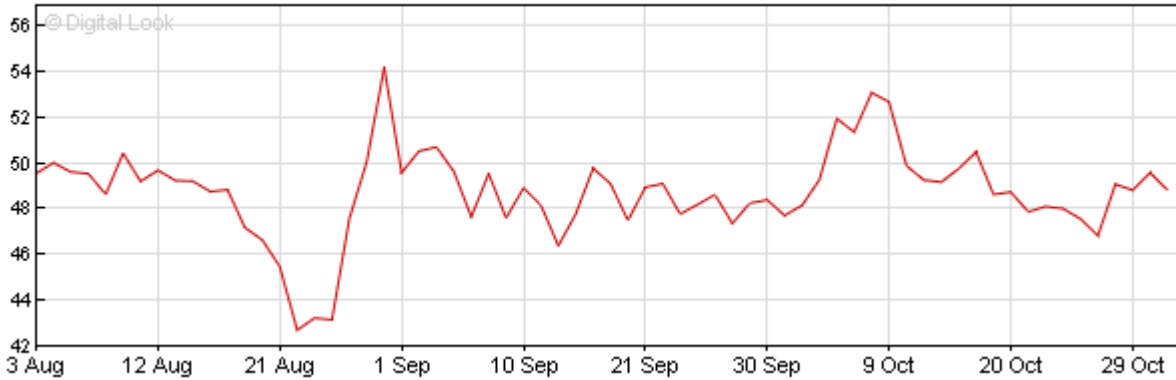
## Crude oil

- After a temporal pick last week, crude oil prices were back to bowing to the gravitational pull on news of increased Russian output and bearish Chinese demand.
- Brent crude oil prices were about US\$47.78/barrel while WTI was pegged at US\$46.10/barrel on 2<sup>nd</sup> November 2015.
- Oman's settlement price for January delivery was pegged at US\$45.74/barrel on the Dubai Mercantile Exchange during the early hours of trade on 3<sup>rd</sup> November 2015.

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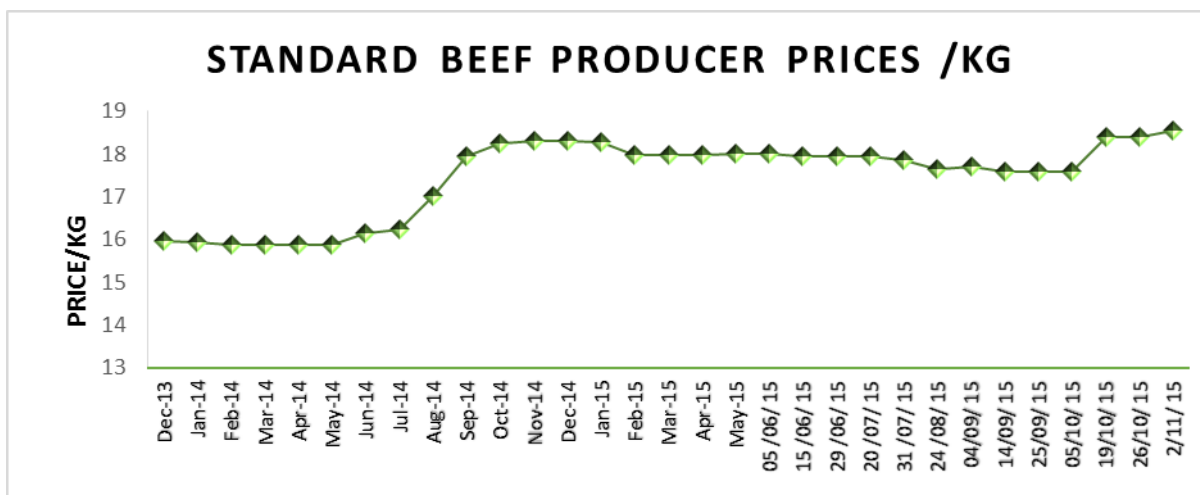
## Brent Crude Oil Futures \$/barrel



Source: BBC Business, 2015

## Beef

- As the Zimbabwean government struggles to contain foot and mouth disease, fresh outbreaks have been reported on village farms in Mashonaland. Meanwhile South Africa Department of Agriculture, Forestry and Fisher has noted with concern on the FMD outbreaks in Zimbabwe and is taking measures to ensure that it does not lose its FMD free zone status by engaging its Zimbabwean counterparts on how, especially the Zimbabwean areas bordering with South Africa, can be controlled from FMD.
- According to the ZNFU market price information system, local dressed weight beef offer prices were averaging K18.55/Kg in the week ending 30<sup>th</sup> October 2015. The graph below shows local beef price trends;



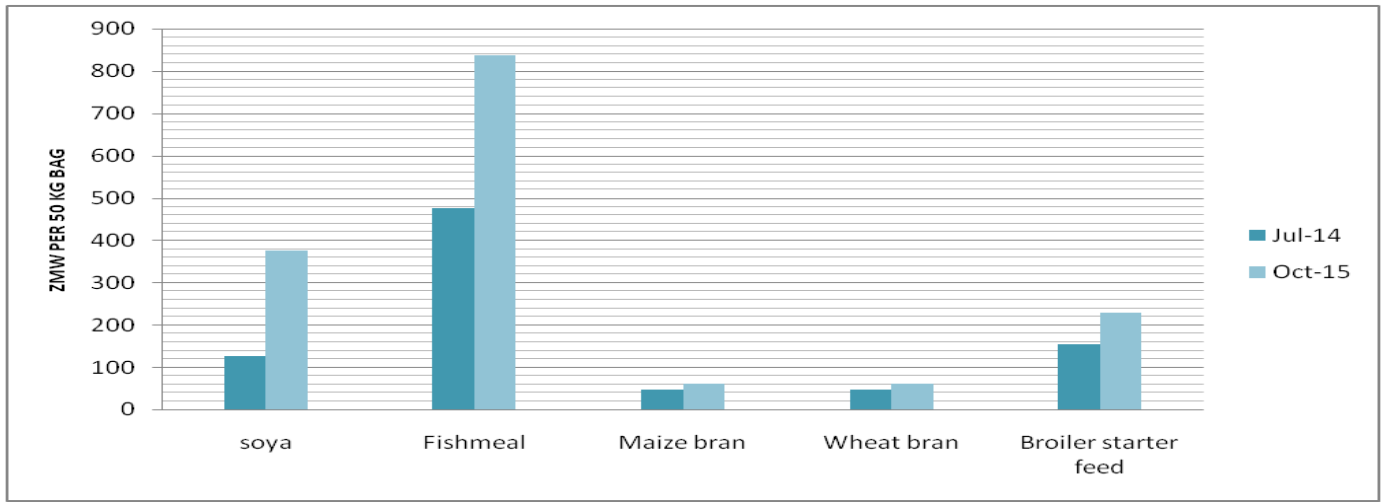
Source: ZNFU, 4455 Market Price Information System

## Poultry Updates for the Week ending 30<sup>th</sup> October 2015

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 that prices of raw materials used in the production of feed have significantly risen thereby causing the same effect on the price of feed.

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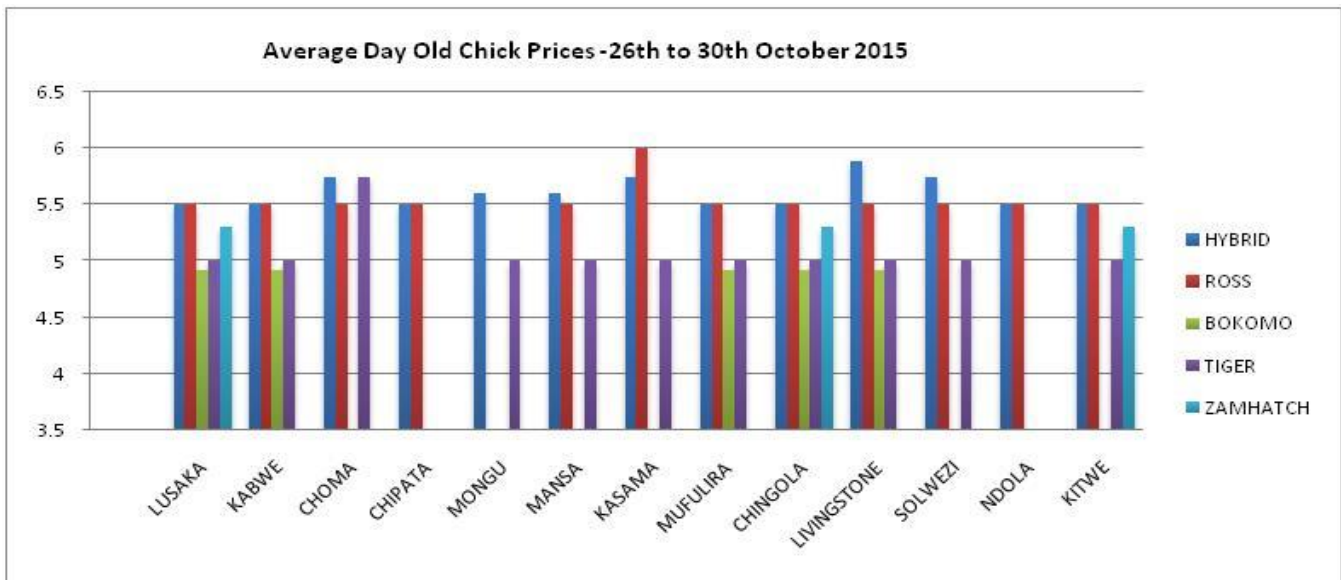




Source: Poultry Association of Zambia

**AVERAGE DAY OLD CHICK PRICES**

The graph below shows the price of different breeds of day old chicks in selected towns. Prices of day old chicks were stable during the course of the week with no significant changes being registered in the towns displayed.



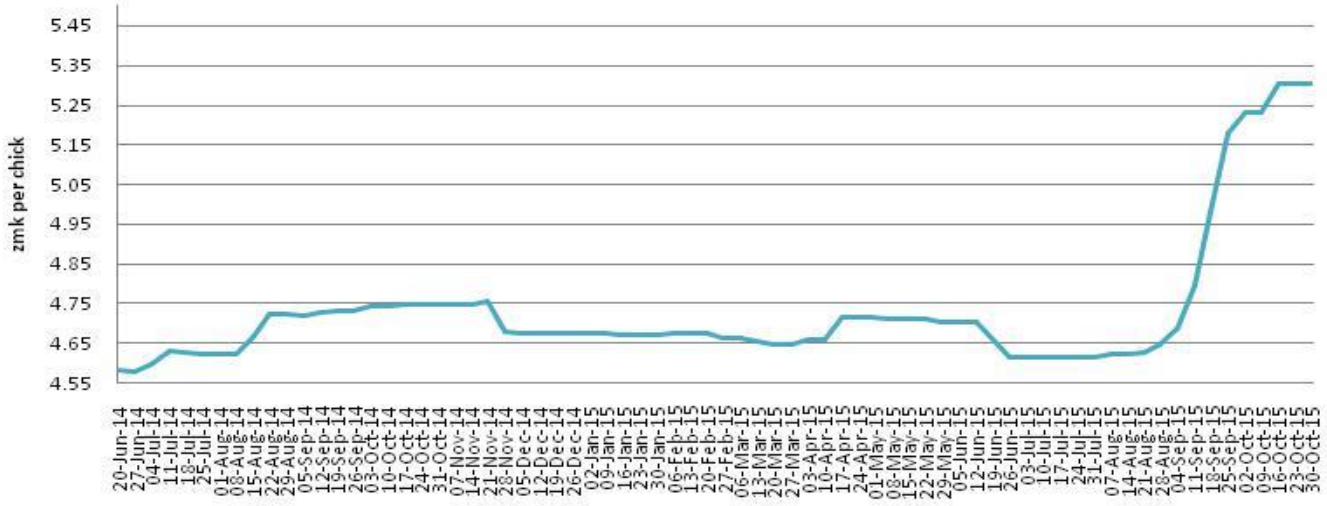
Source: Poultry Association of Zambia

The graph below shows the national average price trend for day old chicks from June 2014 to October 2015. The graph shows that the national average price of day old chicks during the course of the week was ZMW5.30 per chick.

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National average price for day old chicks June 2014 to October 2015

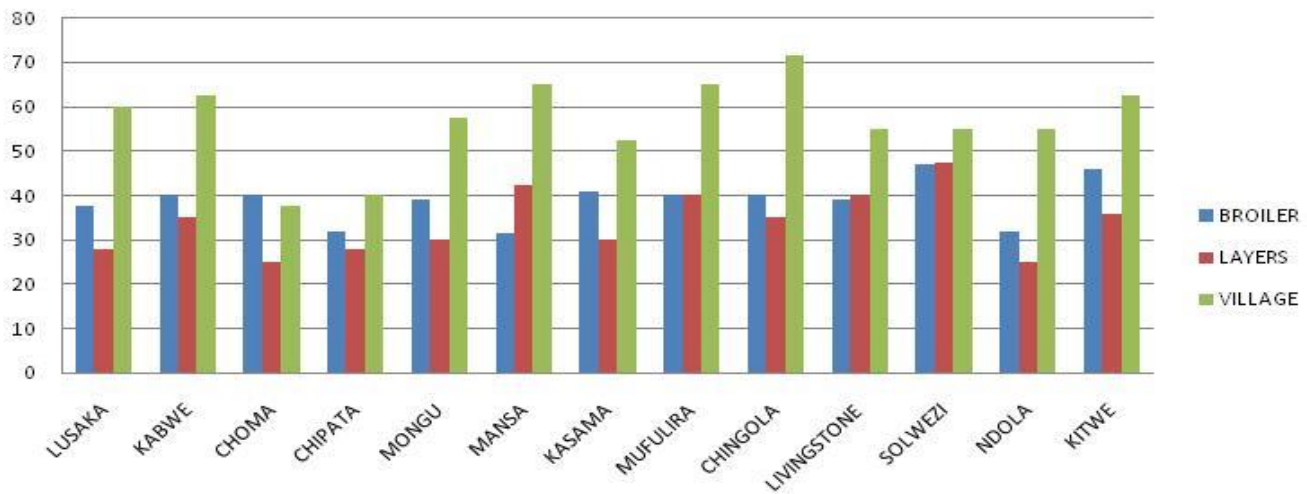


Source: Poultry Association of Zambia

**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 the cost of feed has risen by over 50%, the price of live birds has been relatively static. This is being caused by resistance from consumers to pay a higher price for the birds.

Average Chicken Prices - 26th to 30th October 2015



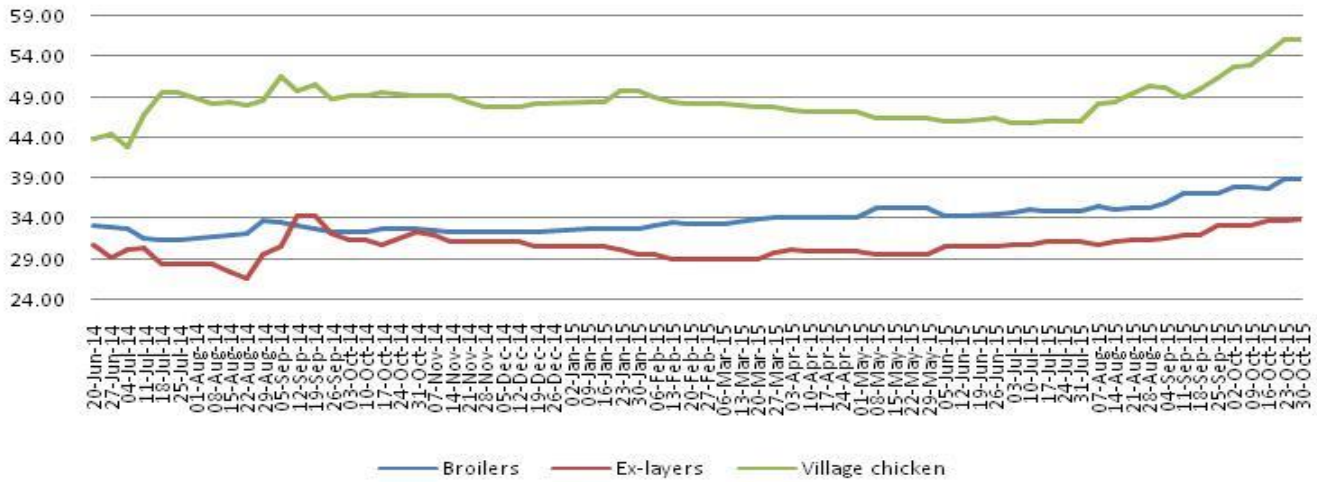
Source: Poultry Association of Zambia

The graph below shows the national average price trends for broilers, ex-layers and village chickens. The national average price of broilers, ex-layers and village chicken during the course of the week was ZMW38.83, ZMW34 and ZMW56.08 per bird respectively.

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Average national live bird prices June 2014 to October 2015

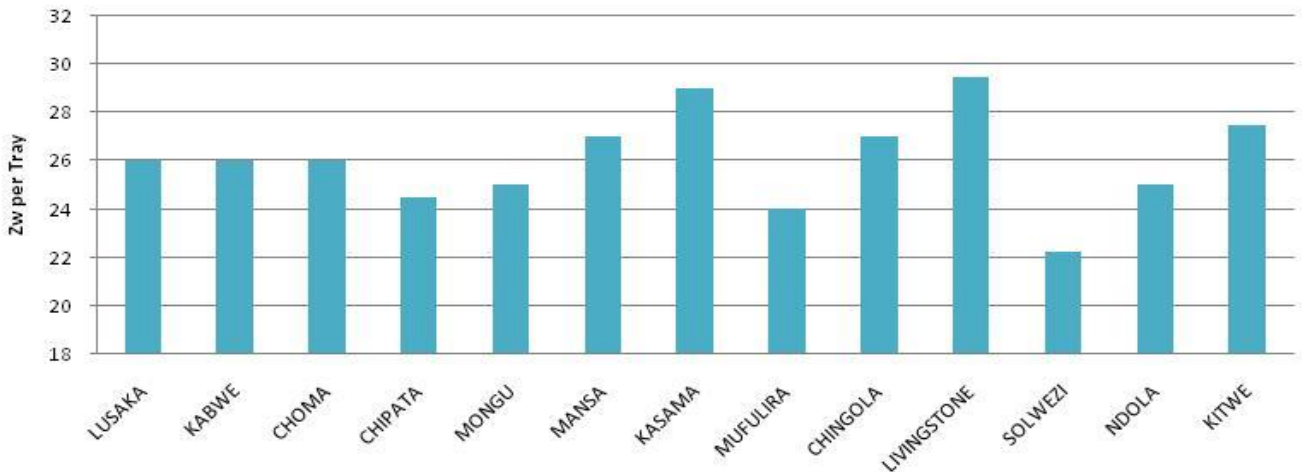


Source: Poultry Association of Zambia

### AVERAGE EGG PRICES

The graph below shows average retail prices of table eggs in selected towns around the country. The price of eggs in Kitwe rose by 3% from ZMW26.5 to ZMW27.5 per tray. The rest of the prices in the towns displayed remained stable.

Average Egg Prices Per Tray - 26th to 30th October 2015



Source: Poultry Association of Zambia

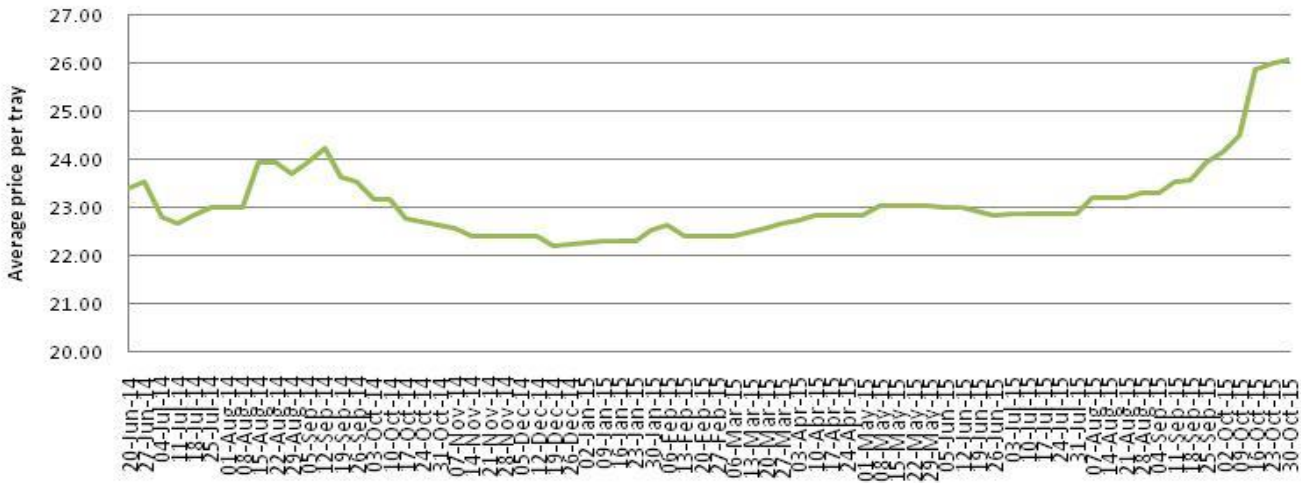
The graph below shows the price trend for a tray of eggs from mid-June 2014 to October 2015. The graph shows that the national average price of eggs went up to ZMW26.06 per tray during the course of the week.

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Average national egg prices June 2014 to October 2015

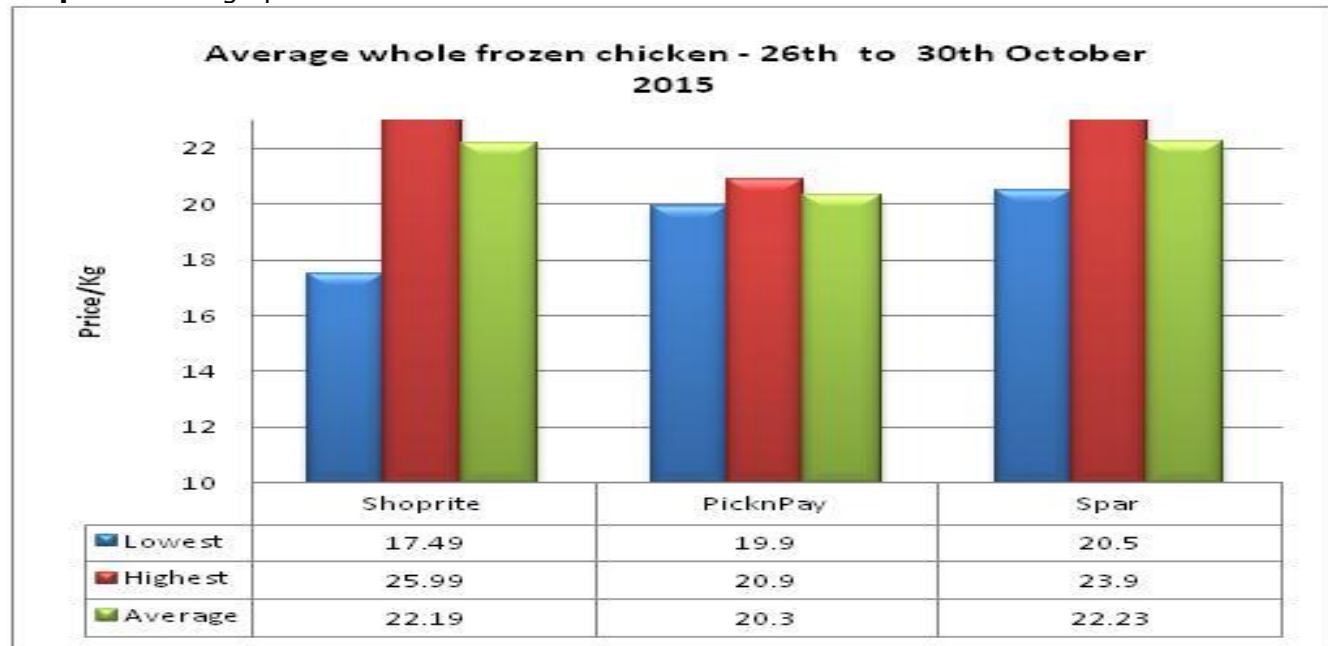


Source: Poultry Association of Zambia

**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 had the lowest average price at ZMW20.3/kg with a price range of ZMW19.90 - ZMW20.90 per kg. On the other hand, the average price in Shoprite was ZMW22.19 per kg and the price range ZMW17.49 - ZMW25.99 per Kg. The average price for frozen whole chicken in Spar was ZMW22.23 with the lowest and highest priced frozen whole chicken going for ZMW20.50 and ZMW22.23 per kg respectively.

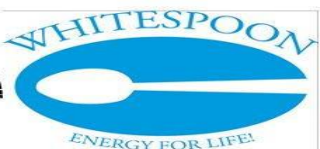
**Graph 1:** Average prices of whole frozen chickens



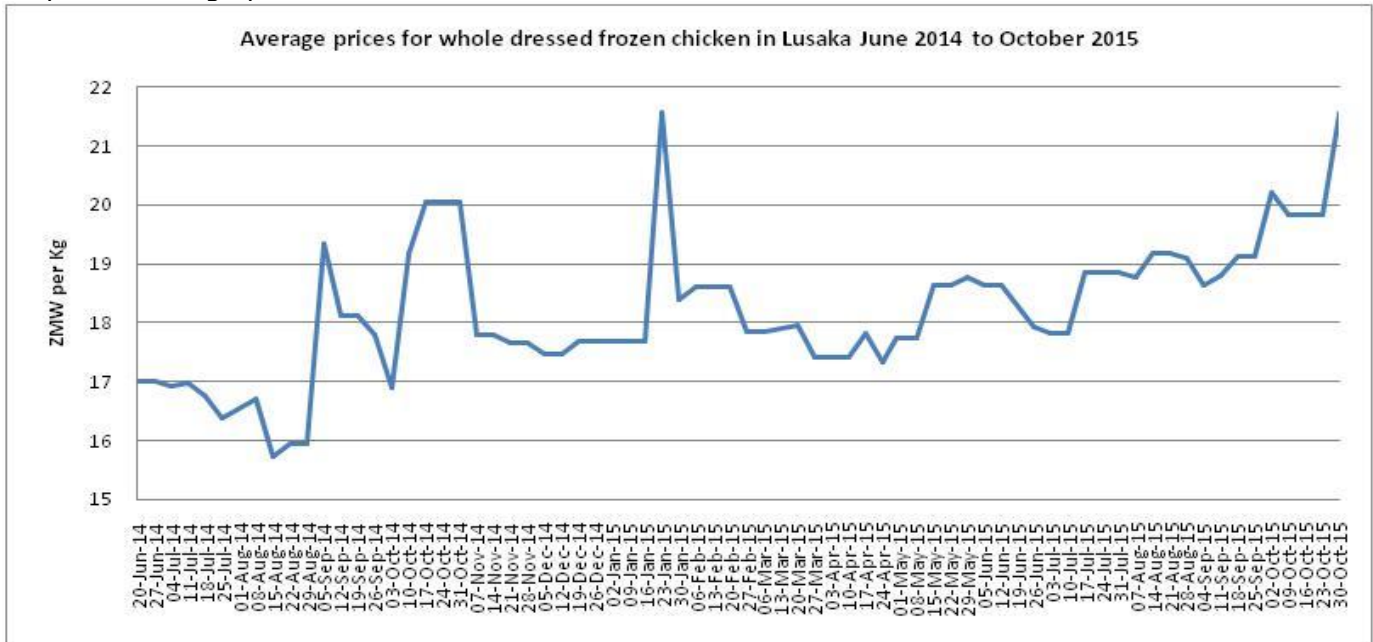
Source: Poultry Association of Zambia

The graph 2 below shows the average price trend for whole frozen chicken in Lusaka from June 2014 – October 2015. The graph shows an upswing in the average price of frozen whole chicken to ZMW21.57 per kg.

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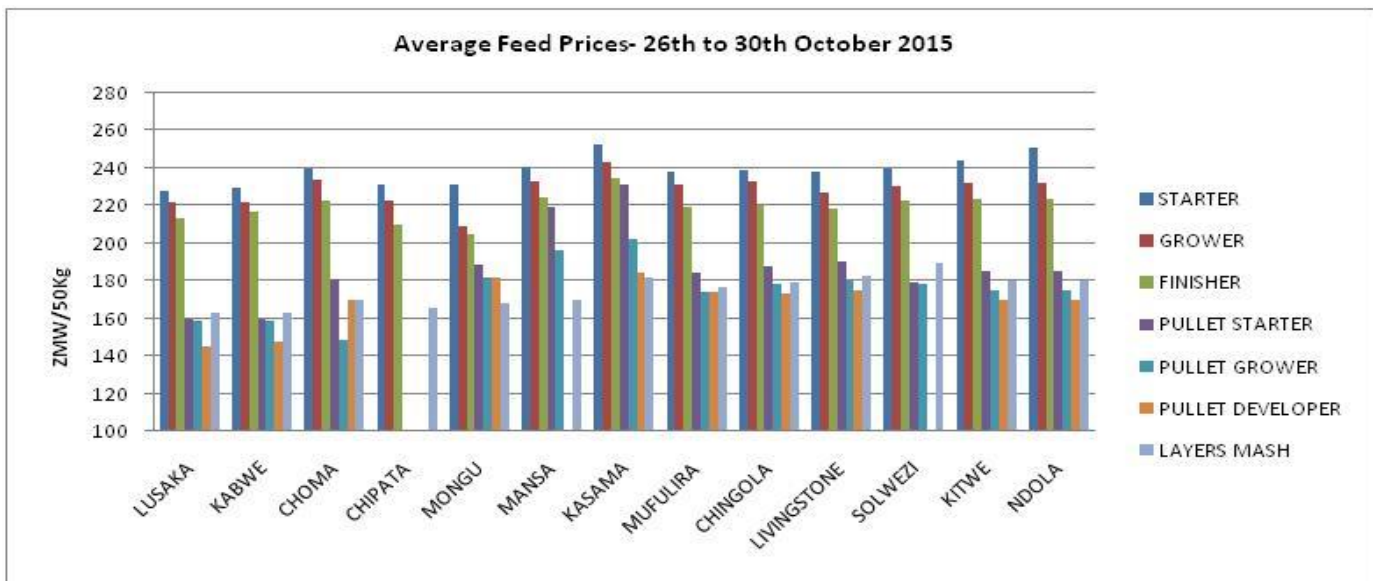
Graph 2: Average price trend for whole frozen chicken-June 2014 to October 2015



Source: Poultry Association of Zambia

**AVERAGE FEED PRICES**

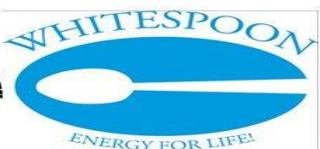
The graph below shows average feed prices in selected towns. The graph shows that feed prices are highest in Kasama and lowest in Lusaka. Further the graph shows that pullet feeds prices are generally lower than the broiler feed.



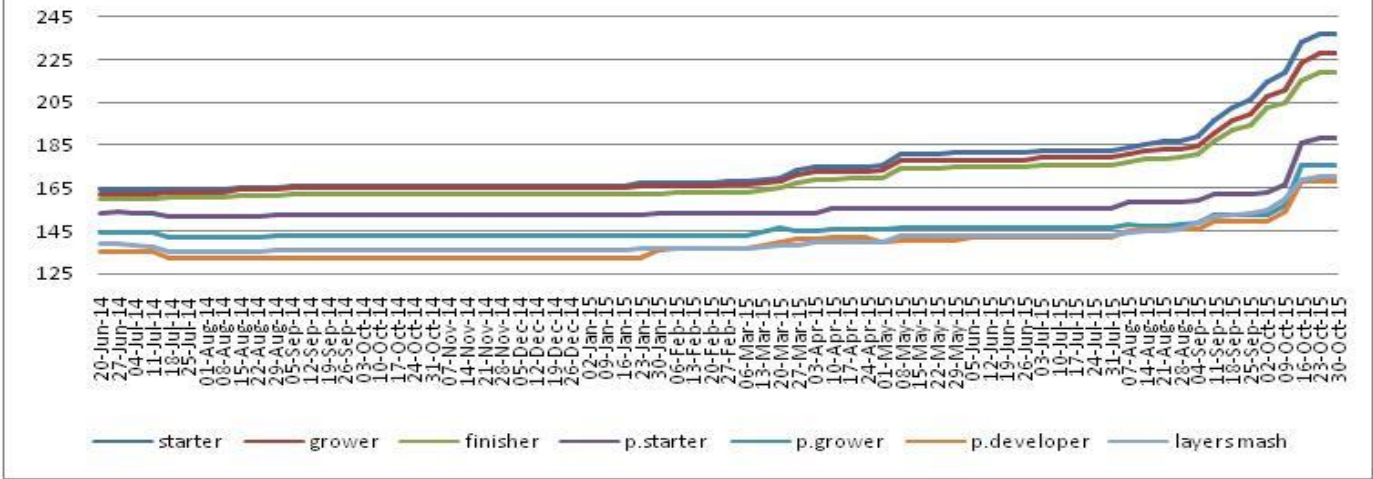
Source: Poultry Association of Zambia

The graph below shows the national average price trend of feed prices from June 2014 to October 2015. The graph shows that prices of feed have been escalating. In comparison to a similar period last year, the price of broiler starter, grower and finisher are up by 43%, 38% and 35% respectively. 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.

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### National average feed prices June 2014- October 2015

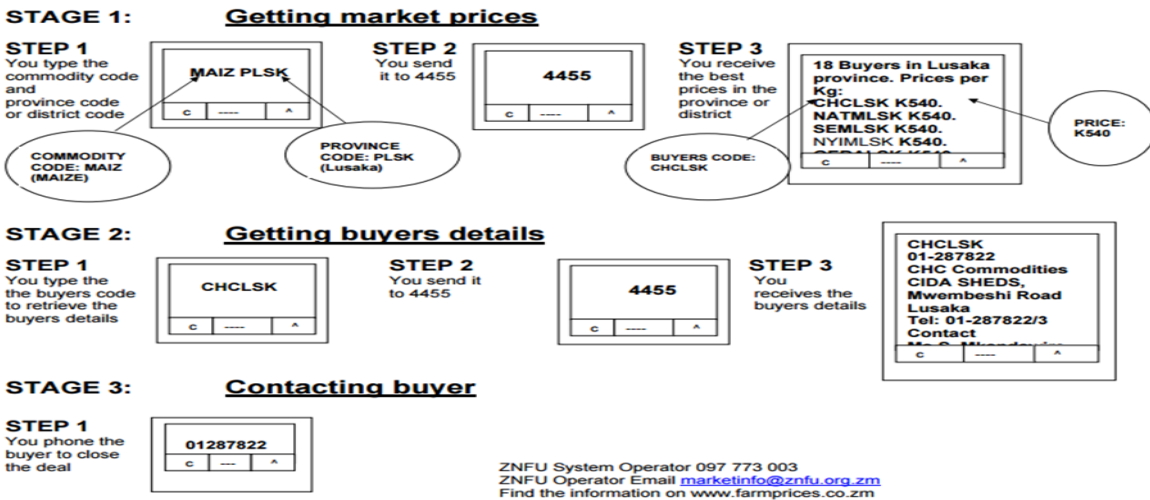


Source: Poultry Association of Zambia

## ALERTS!!!!!!

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

### ZNFU Market Price Information



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