



THE WEEKLY AGRO WATCH



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9th November, 2015 Vol.44

Industry Update

US Threatens to block SA imports

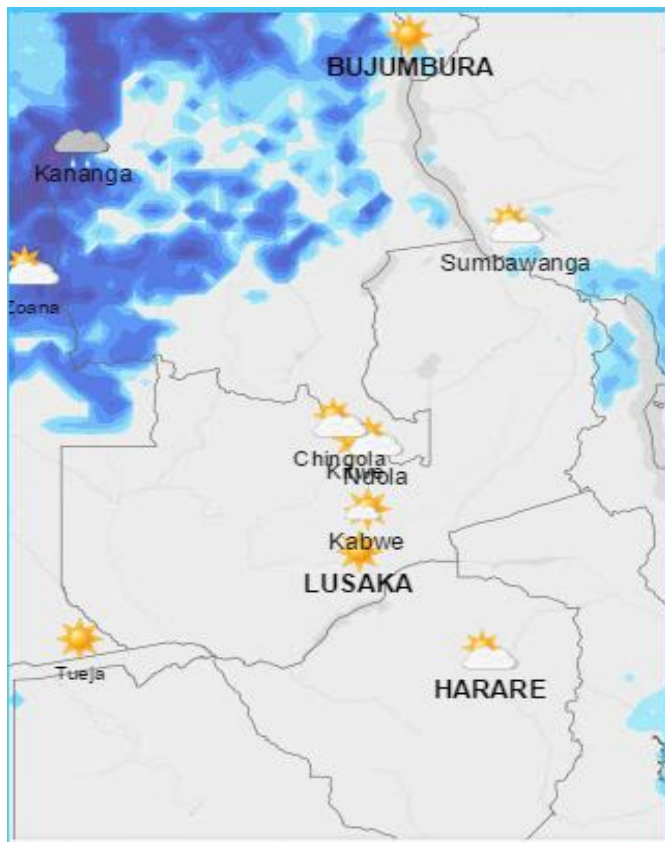
The US President, Barak Obama has threatened to suspend South Africa's right to export agricultural produce duty free, under the AGOA trade arrangement into the US market. South Africa was on 6th November given a 60 day ultimatum to uplift its barriers against US beef, pork and poultry imports or risk losing its AGOA (Africa Growth Opportunity Act) privileges. According to the US President, South Africa's blockage of American products from entering its markets over the last 15 years are unwarranted. The South African government has however indicated that negotiations with the US are still underway and the reason for the delay in concluding the negotiations was to ensure that unsafe meat was not imported. Avian flu was one of the diseases the South African government has cited as one of the potential risks that could come with US imports.

Exchange Rates

CURRENCY	02/11/2015						02/11/2015					
	US Dollar		RAND		GB Pound		US Dollar		RAND		GB Pound	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
FNB	13.08	13.42	0.93	0.94	19.67	20.06	12.44	12.70	0.91	0.93	19.20	19.59
Standard Chartered Bank	13.02	13.28	0.92	0.94	19.62	20.01	12.43	12.68	0.91	0.93	19.20	19.58
ZANACO	13.56	13.84	0.95	0.97	20.46	20.87	12.47	12.71	0.91	0.92	19.23	19.61
Bank of Zambia	13.49	13.51	0.95	0.96	20.35	20.38	12.56	12.58	0.913	0.914	19.41	19.44

Weather Forecast

The table summarizes the weather forecast for some selected towns for the period 10th to 16th November 2015. Generally rainfall activity is expected to increase in most parts of the country.



TOWN	WEATHER SUMMARY
Ndola	<ul style="list-style-type: none"> ➤ 1.1mm of rain forecast for the 13th and heavy rains on the 15th and 16th. The rest of the week is expected to be sunny to partially cloudy. ➤ Average daily Temps: 17-31°C
Mkushi	<ul style="list-style-type: none"> ➤ The 10th will be sunny. Heavy rains expected on 15th and normal rains on 16th. The rest of the week is anticipated to be mostly partially cloudy. ➤ Average daily Temps:20-33°C
Kabwe	<ul style="list-style-type: none"> ➤ The earlier part of the week is expected to be sunny to partially cloudy and heavy rains are forecast for the 15th & 16th. ➤ Average daily Temps:18-34°C
Lusaka	<ul style="list-style-type: none"> ➤ The week will be mostly sunny to partially cloudy with the exception of the 15th when normal rains are anticipated and the 16th when heavy rains are forecast. ➤ Average daily Temps: 21-36°C.

Mazabuka	<ul style="list-style-type: none"> ➤ The week will be mostly sunny to partially cloudy with the exception of the 15th when normal rains are anticipated and the 16th when heavy rains are forecast. ➤ Average daily Temps: 24-35°C.
Choma	<ul style="list-style-type: none"> ➤ The week will be mostly sunny to partially cloudy with the exception of the 15th when normal rains are anticipated and the 16th when heavy rains are forecast. ➤ Average daily Temps:18-32°C
Livingstone	<ul style="list-style-type: none"> ➤ The 10th - 13th is expected to be mostly sunny and 14th mostly cloudy. Normal rains are anticipated on the 15th and slightly heavy rains on 16th. ➤ Average daily Temps:21-36°C
Mongu	<ul style="list-style-type: none"> ➤ Rainfall forecast from the 13th to 16 while the earlier part of the week will be sunny to partially cloudy. ➤ Average daily Temps: 21-36°C.
Mansa	<ul style="list-style-type: none"> ➤ Rainfall forecast throughout the week save for the 12th when it is anticipated to be partially cloudy. ➤ Average daily Temps: 19-28°C.
Kasama	<ul style="list-style-type: none"> ➤ The 10th -13th is forecast to be partially cloudy to cloudy. Normal rains are forecast on the 14th and heavy rains on the 15th & 16th. ➤ Average daily Temps: 17-29°C.
Solwezi	<ul style="list-style-type: none"> ➤ The 10th will be partially cloudy with normal rains forecast for the rest of the week save for the 15th & 16th when heavy rains are expected. ➤ Average daily Temps: 17-28°C.
Chipata	<ul style="list-style-type: none"> ➤ The week is expected to be sunny to partially cloudy with some rainfall forecast for the 16th. ➤ Average daily Temps: 21-35°C.

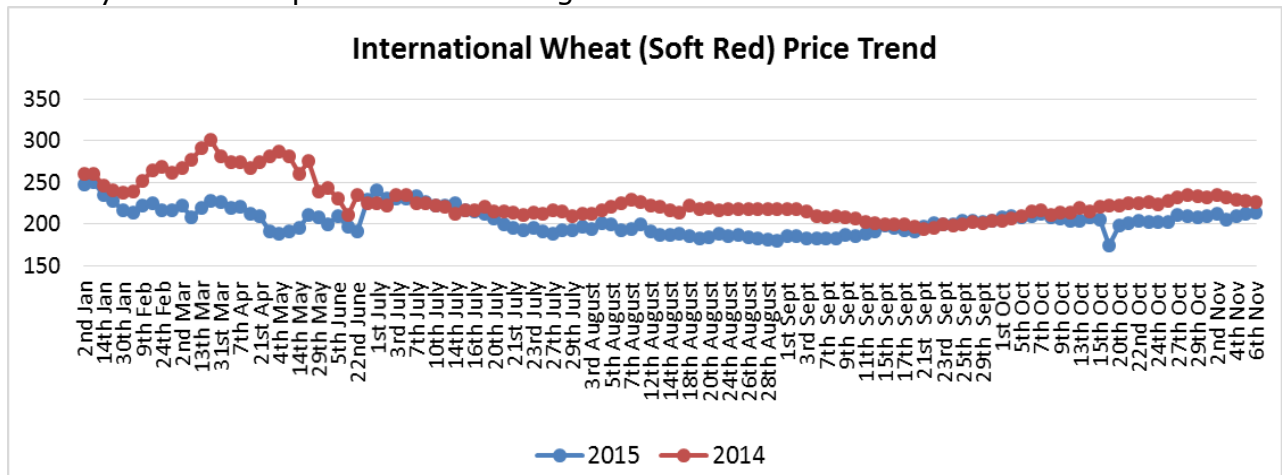
Source: Norway meteorological Institute

Wheat Highlights

- South Africa's wheat prices climbed to historic highs last week mainly on account of a weakening rand against the US dollar. South Africa, a net importer of wheat, has had its currency depreciate by about 17% this year against the US dollar. On Friday, spot bread milling wheat prices in South Africa were around ZAR4, 301/ton ($\approx 307.44/\text{US\$}$).
- Zambia's local wheat trade is still slow with few deliveries into mills taking place. The upward adjustment of the policy rate to 15.5% on 3rd November 2015 increases the financial strain on farmers that had financed the crop through commercial bank facilities as interest rate margins are being adjusted upwards.

Price trends

The Safex international soft red wheat averaged US\$210.91/ton in the week ending 6th November 2015. In comparison to the previous week, soft red prices rose by 1.17%. All prices are fob US gulf.



Source: Safex

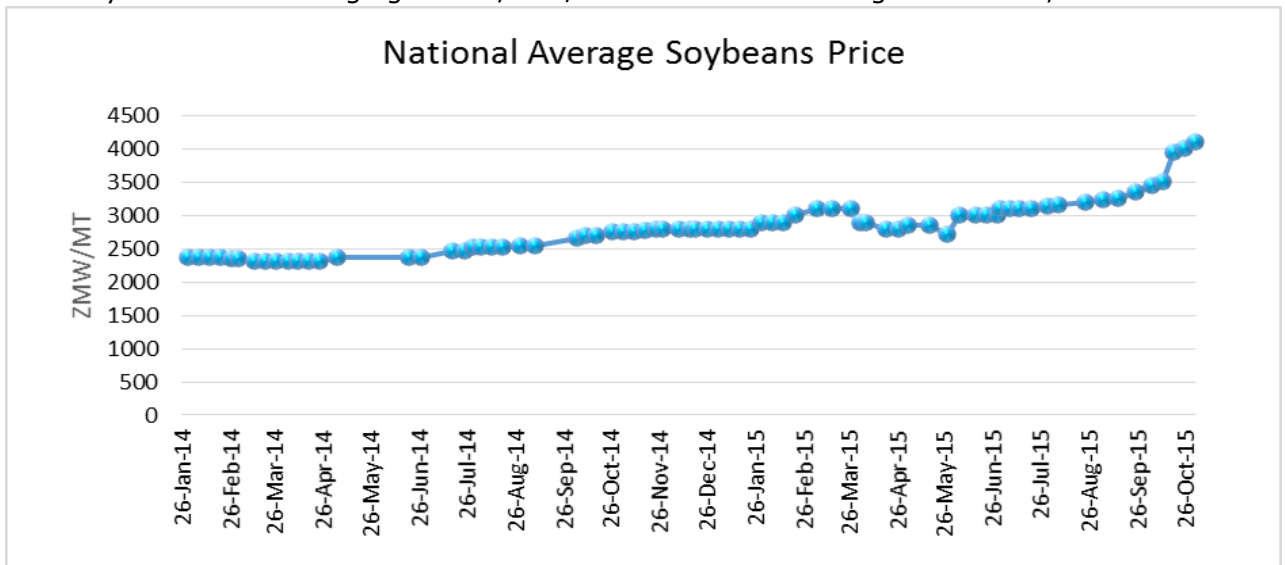
Soya Beans Highlights

- Initial estimates by the South African Department of Agriculture indicate that the country's soya beans planting will be up slightly by 1.32% in 2015 to 696,400 hectares.
- The Zimbabwean government has been quoted to have secured enough rhizobium fertilizer, for legumes, for the 2015/16 season which will be sold to farmers at subsidized prices. According to media reports, a sachet of the fertilizer is adequate for a hectare of soya beans and is costing 5 dollars.

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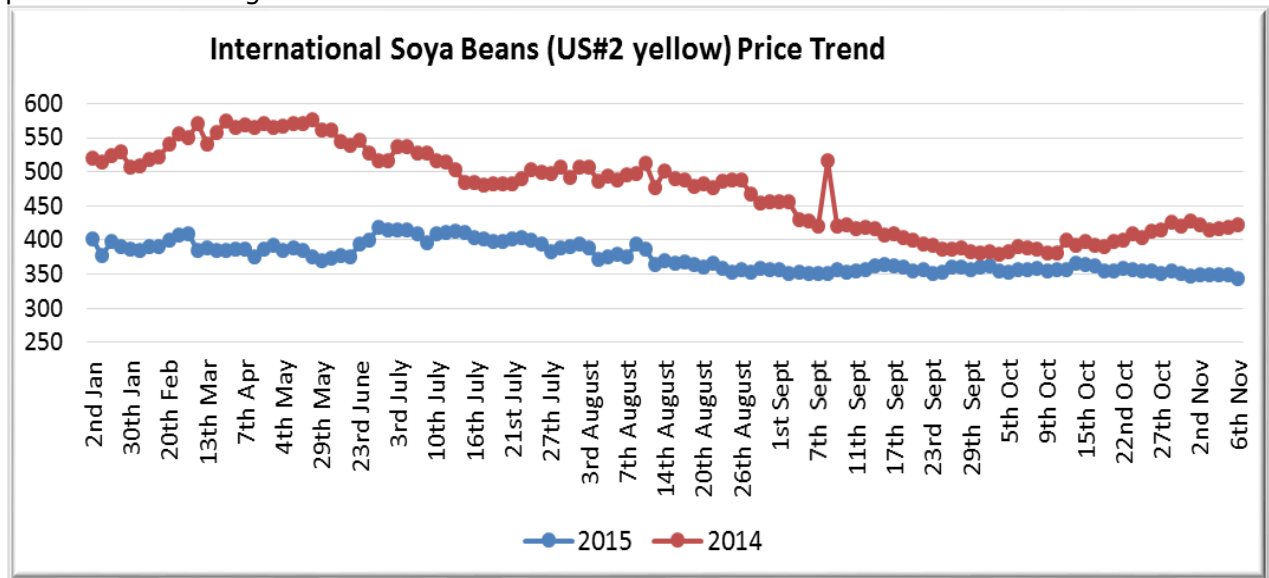
- Soybeans offer prices by traders captured by the ZNFU 4455 price information system were averaging ZMW4, 100/ton in the week ending 6th October, 2015.



Source: ZNFU, 4455 Market Price Information System

Price trends

International prices of US No. 2 yellow soya beans on Safex traded lower by 0.86 percent and averaged US\$347.57/ton during the week ending 6th November 2015. All prices are fob US gulf.



Source: Safex

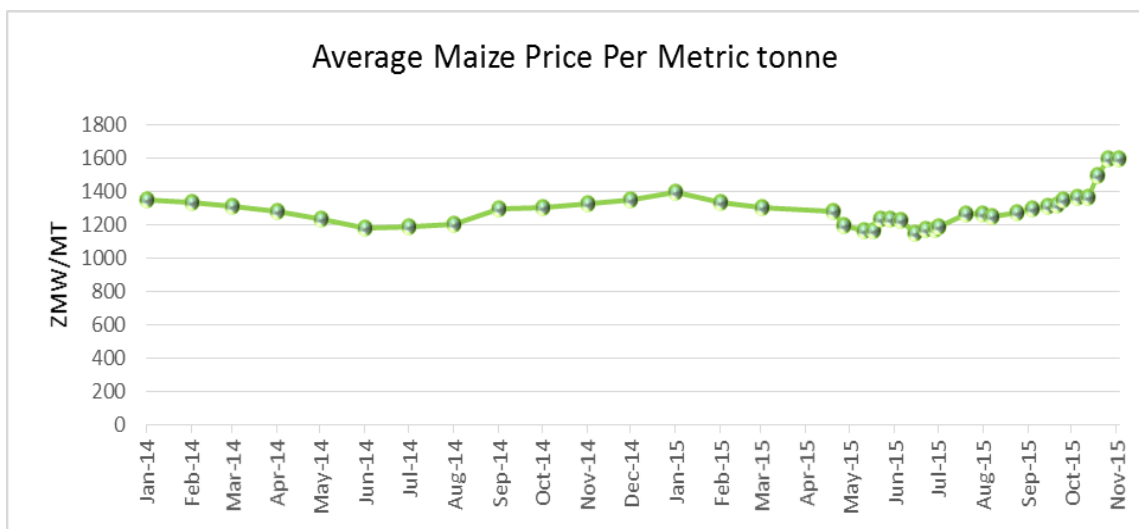
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Maize

Highlights

- Malawi's grain marketing agency, ADMARC, adjusted their maize selling prices end of October from 3,000 Malawian Kwacha to K4, 000 per 50Kg bag (approx. US\$7.19/50kg bag or Zambian Kwacha 93.5/bag). Maize prices have been rising on the Malawian market due to sporadic supplies with other private traders quoted to be selling for as high as K8, 000/ 50kg bag (≈US\$14.38/50kg bag or ZMW187 per 50kg bag).
- With the close of the FRA maize purchase season on 31st October 2015, Zambia's food reserve agency purchased a total of 596,081MT during the 2015/16 marketing season. Pressure has continued to mount from the Millers for government to release maize on the local market at subsidized prices. The initial indication that maize would be offloaded at K85/50kg bag has been put on ice as government reviews the matter further.
- Indicative local offer prices were averaging ZMW1.6/Kg with the highest offer pegged at ZMW2.3/kg on the ZNFU market price information system.



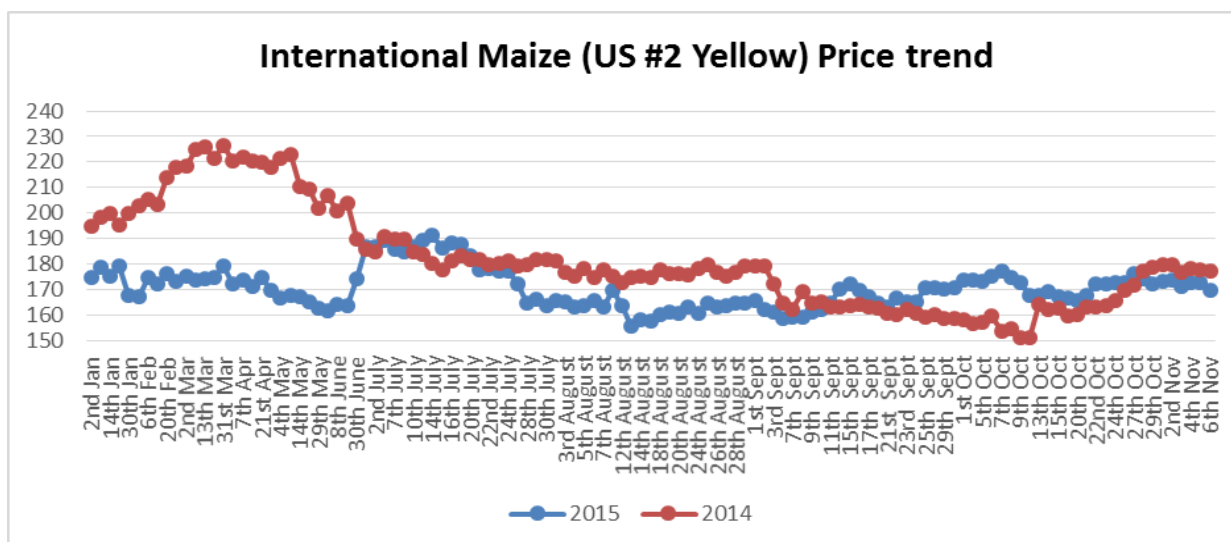
Source: ZNFU, 4455 Market Price Information System

Price trends

During the week ending 6th November 2015, international maize fob prices as recorded by Safex averaged US\$172.28/ton, below the previous week's average by 0.86 percent.

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Source: Safex

Cotton Highlights

- According to the International Cotton Advisory Council, China's cotton imports are forecast to fall by about 24% in the 2015/16 year to less than 1.4 million tons. Meanwhile, Bangladesh, Vietnam and Indonesia are expected to have an increase in their import appetites and partially offset the drop in Chinese imports. Exports from Francophone African countries (West Africa) are expected to rise by 15% to 1.1 million tons. With the growth in production, the world export share of the Francophone countries has increased from 6% in 2010/11 to a projected 14% in 2015/16.
- New York Market cotton prices for December delivery pegged at US\$0.6166/pound (US\$1.36/kg) on 27th October 2015 while Cotlook "A" index prices were pegged at US\$0.6865/pound (≈US\$1.51/kg).

Crude oil

- According to China's General Administration of customs, China's crude oil imports dropped by 5.7% in October 2014 on a month-on-month comparison but were about 9.4% higher than the October 2014 imports.
- Meanwhile, international crude oil prices have continued to drop. Indications from Saudi Arabia, the world's largest producer, are that the country is still set on not cutting down its production.
- Brent crude oil prices were about US\$47.68/barrel while WTI was pegged at US\$44.6/barrel early morning on 9th November 2015.

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- Oman's settlement price for January delivery was pegged at US\$44.38/barrel on the Dubai Mercantile Exchange during the early hours of trade on 9th November 2015.

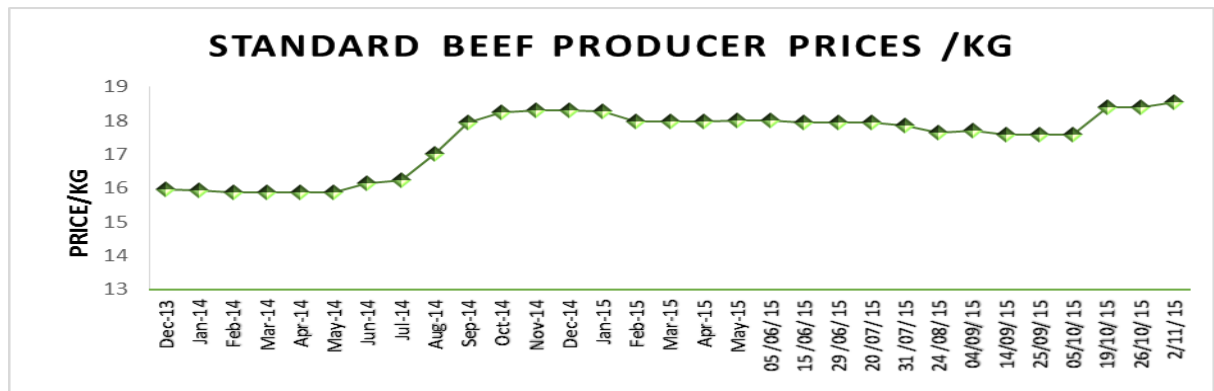
Brent Crude Oil Futures \$/barrel



Source: BBC Business, 2015

Beef

- In a bid to meet China's rising demand for fresh meat and regulations that require live animals to be slaughtered close to their point of entry, Australia airlifted 150 live cattle last month destined for Chinese abattoirs. According to the Australian government, the Chinese authority found the animals to be in good health and were put under mandatory quarantine. Australian is optimistic that with the signing of a Free Trade Agreement with China, the removal of 10% tariff on live cattle imports by China within four year of the FTA's entry into force will boost Australia's exports of cattle to the lucrative Chinese market.
- According to the ZNFU market price information system, local dressed weight beef offer prices were in the range of ZMW18-22/Kg in Lusaka during the week ending 6th November 2015. The graph below shows local beef price trends;



Source: ZNFU, 4455 Market Price Information System

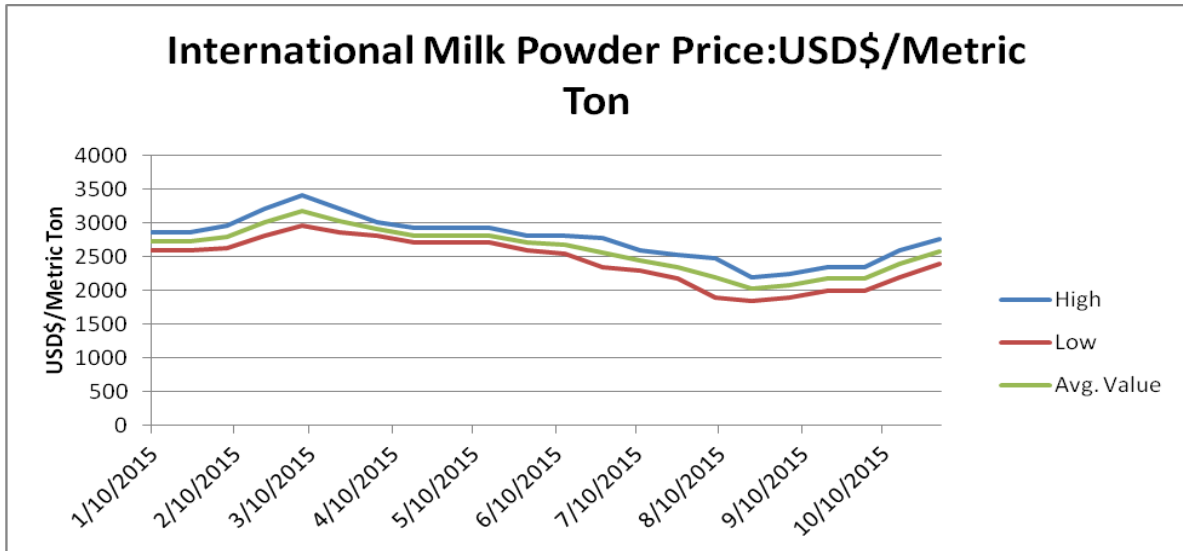
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Dairy Updates for the Week ending 6th November 2015

Global Whole Milk Powder Price Trends

The price of whole milk powder on the international market increased slightly from **USD 2.175/ton** on 19th September 2015 to **USD 2575/ton** as at 31st October 2015. The graph below highlights the October 2015 price movements.



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

Average Prices of Fresh Milk, UHT and Yogurt

Average prices of dairy products generally recorded slight increases from 7% to 21% between 23rd and 31st October 2015. Notable increases were in the price of 500mls fresh milk, 175 mls yogurt and 500mls yogurt.

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MILK PRODUC PRICES				
Copperbelt,Southern and Lusaka				
Ser.	PRODUCT	AVERAGE PRICE 23.10.15	AVERAGE PRICE 06.11.15	VAR (%)
1	500mls FRESH MILK	4.40	4.70	7%
2	1 Ltr FRESH MILK	8.50	8.50	0%
3	2 Ltrs FRESH MILK	16.50	16.38	-1%
4	250 mls UHT MILK	3.40	3.40	0%
5	500mls UHT MILK	6.00	5.60	-7%
6	1 Ltr UHT MILK	11.20	11.50	3%
7	175 mls YOGURT	4.80	5.80	21%
8	250mls YOGURT	4.40	4.40	0%
9	500mls YOGURT	11.75	12.99	11%

Source: DAZ October, 2015

National Average Feed Prices

Average dairy feed prices and that of feed ingredients have generally increased .The average price of a 25 Kg bag of maize bran increased by over 91% from ZMW22 in May 2015 to the current ZMW42 .The price of no.3 meal increased by 78%,sunflower cake by 50%,cotton cake by 44% and milk replacer by 43% during the same period.

Poultry Updates for the Week ending 6th November 2015

DOMESTIC POULTRY PRICES

The following graph compares prices of a few feed ingredients as well as the price of broiler stock feed in July of 2014 and November of this year. The graph shows significant price increases in all commodities displayed. The graph shows 148% price increase in Soya, 48% price increase in fishmeal, 17.6% price increase in maize bran, 28% price increase in wheat bran and 30.6 % price increase in broiler starter. These price adjustments are among the major contributing factors to the increase in prices of poultry products.

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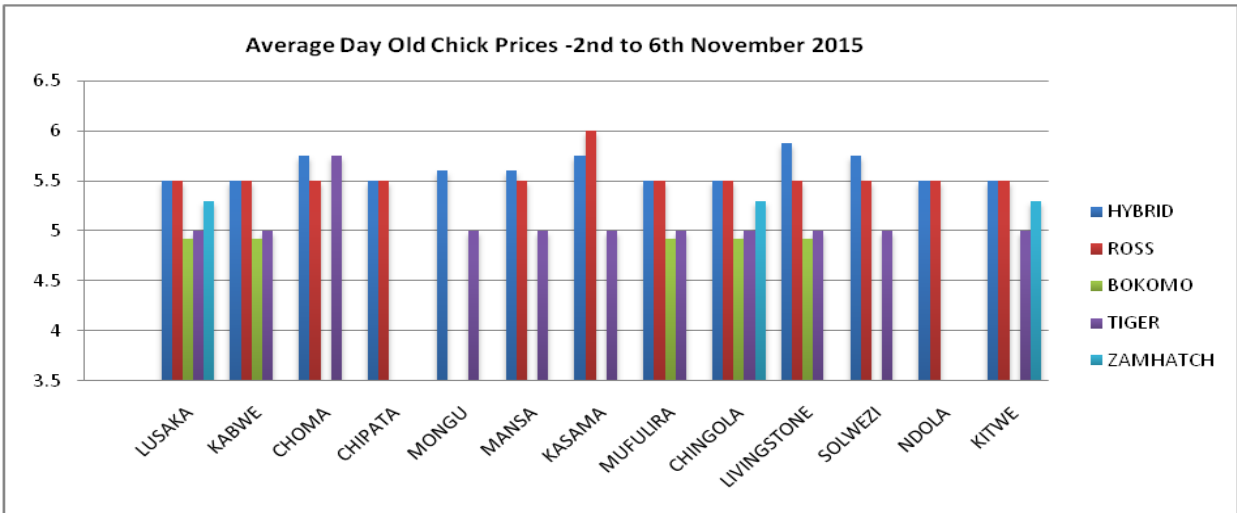




Source: Poultry Association of Zambia

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 have been static the past few weeks with no notable changes registered in the towns displayed.

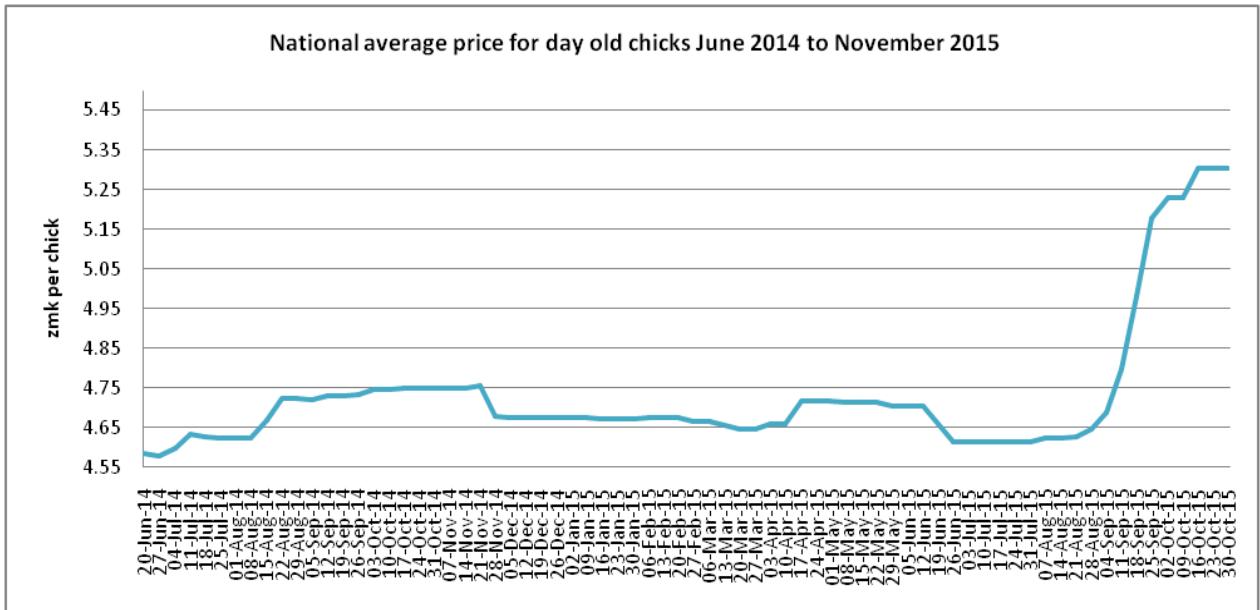


Source: Poultry Association of Zambia

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

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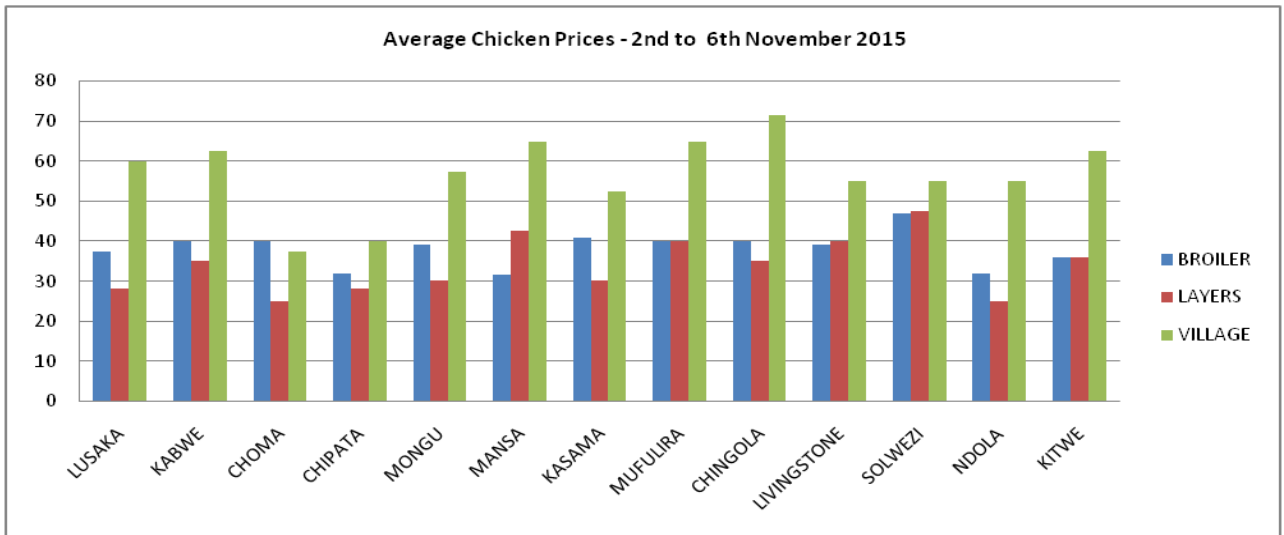




Source: Poultry Association of Zambia

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 prices of live birds remained static during the course of the week in the towns displayed below.

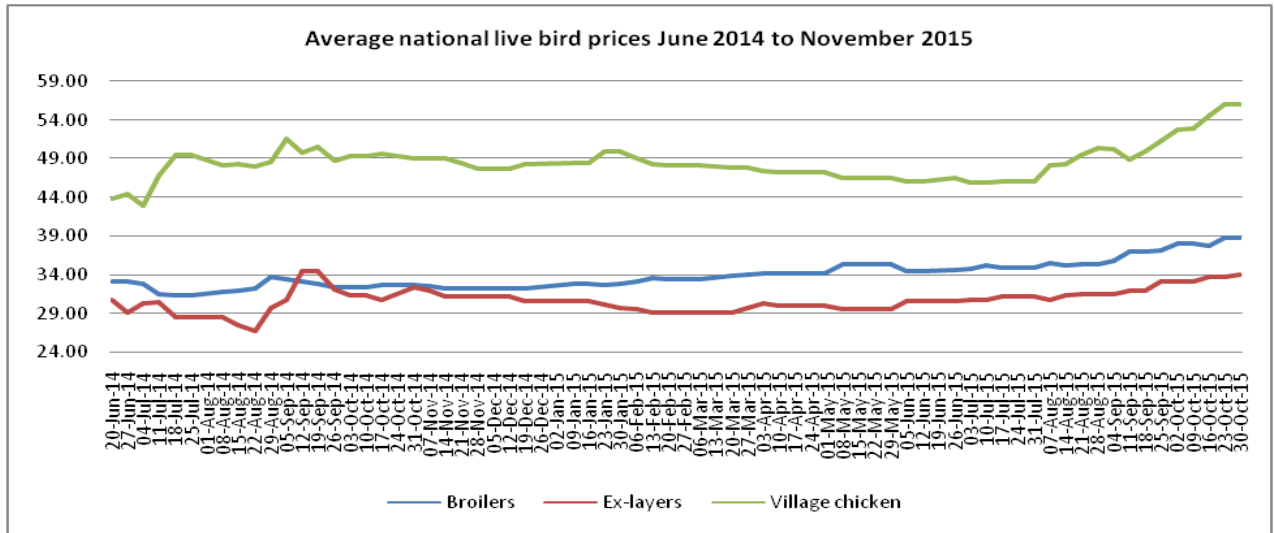


Source: Poultry Association of Zambia

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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.



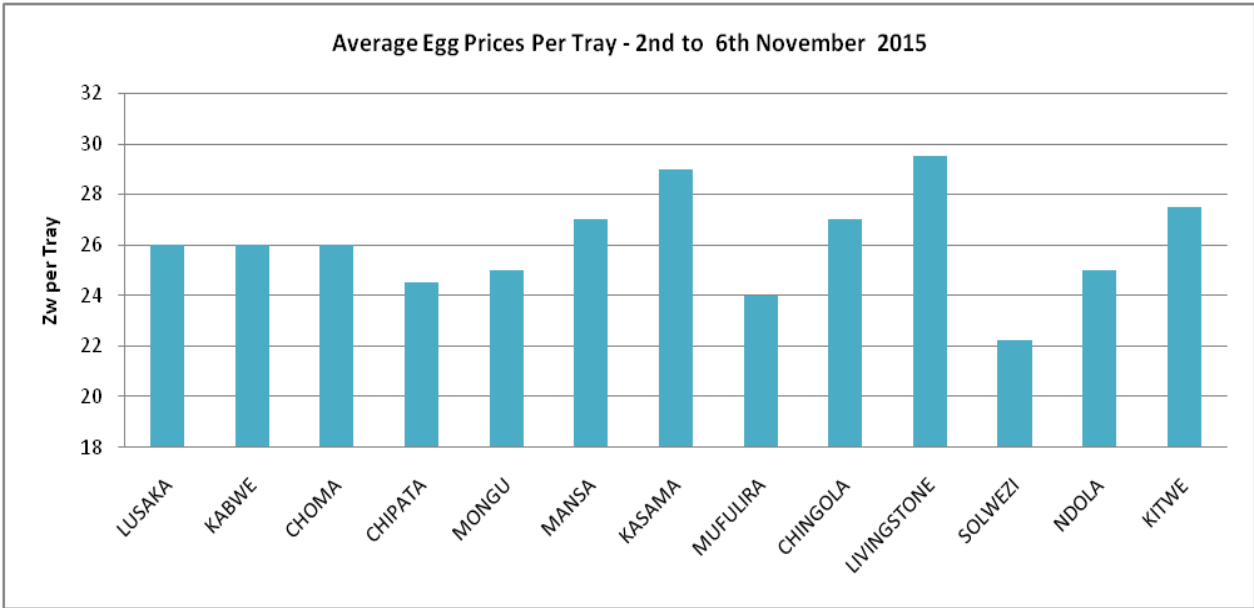
Source: Poultry Association of Zambia

AVERAGE EGG PRICES

The graph below shows average retail prices of table eggs in selected towns around the country. The average price of eggs in Kitwe went up from ZMW27.5 to ZMW29 per kg representing 5% price increment. No other changes were registered in the towns displayed below:

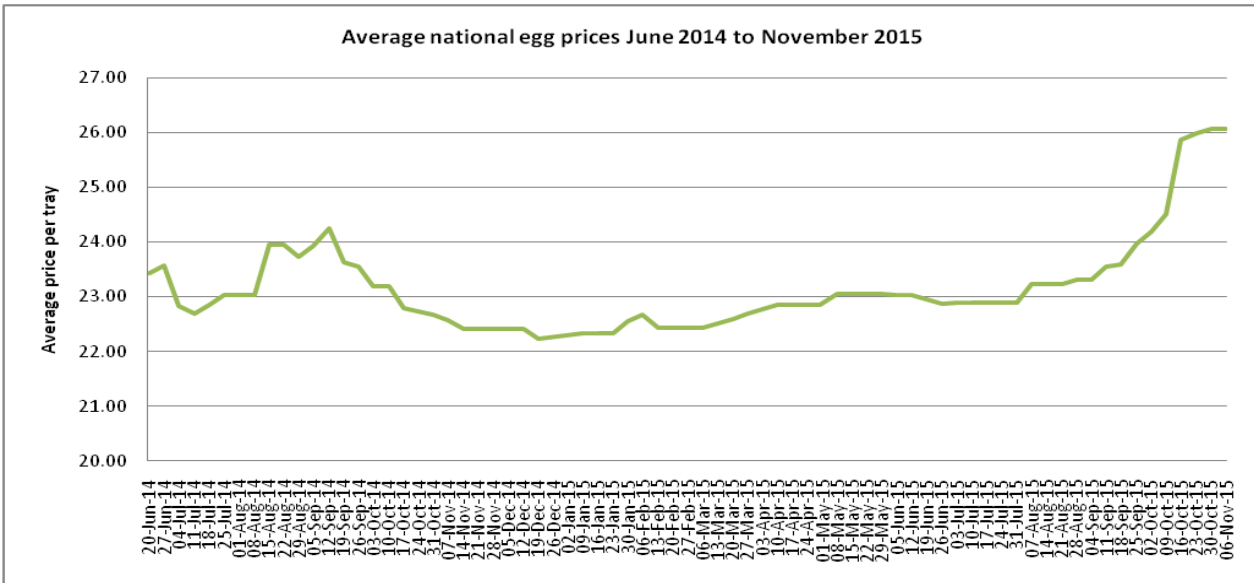
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Source: Poultry Association of Zambia

The graph below shows the price trend for a tray of eggs from mid-June 2014 to November 2015. The graph shows that the national average price of eggs went up to ZMW26.17 during the course of the week.



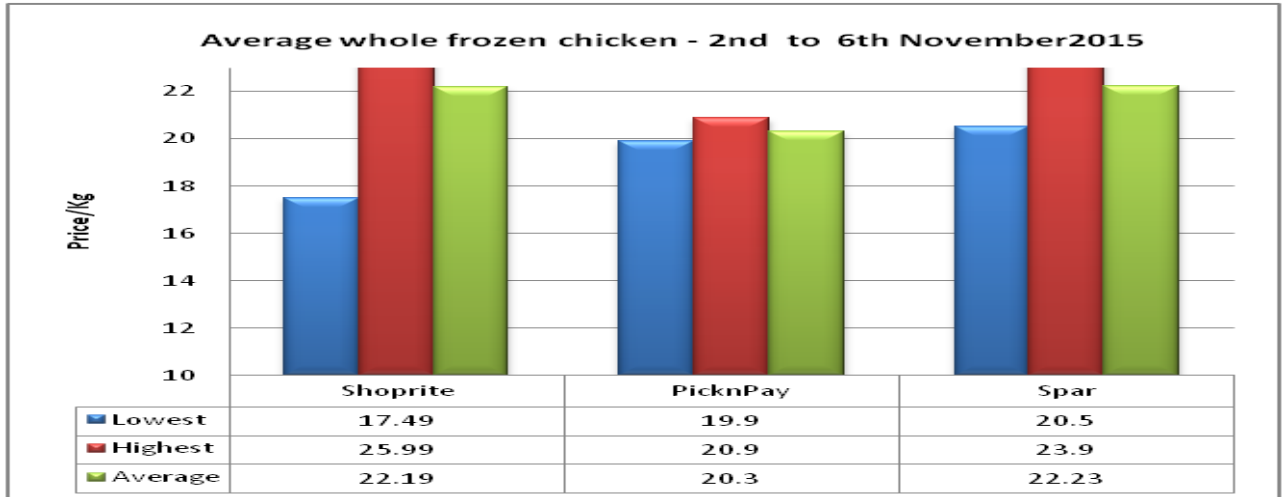
Source: Poultry Association of Zambia

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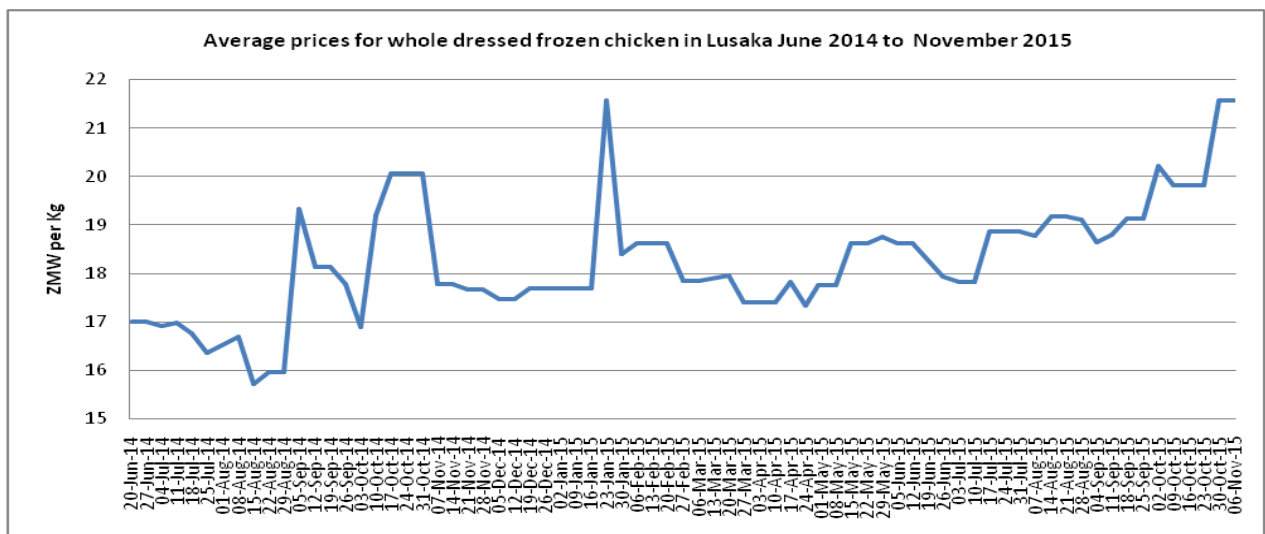
AVERAGE WHOLE DRESSED CHICKEN PRICES

Graph 1 shows average prices of whole frozen chickens in the three chain stores around Lusaka. Spar has the highest average price for frozen whole chicken at ZMW22.23 per kg. The average prices in Shoprite and Pick 'n' Pay were ZMW22.19 and ZMW20.3 per kg respectively.



Source: Poultry Association of Zambia

The graph below shows the average price trend for whole frozen chicken in Lusaka from June 2014 – November 2015. The graph shows that the average price for frozen whole chicken in Lusaka has been static the past two weeks at ZMW21.57 per kg.



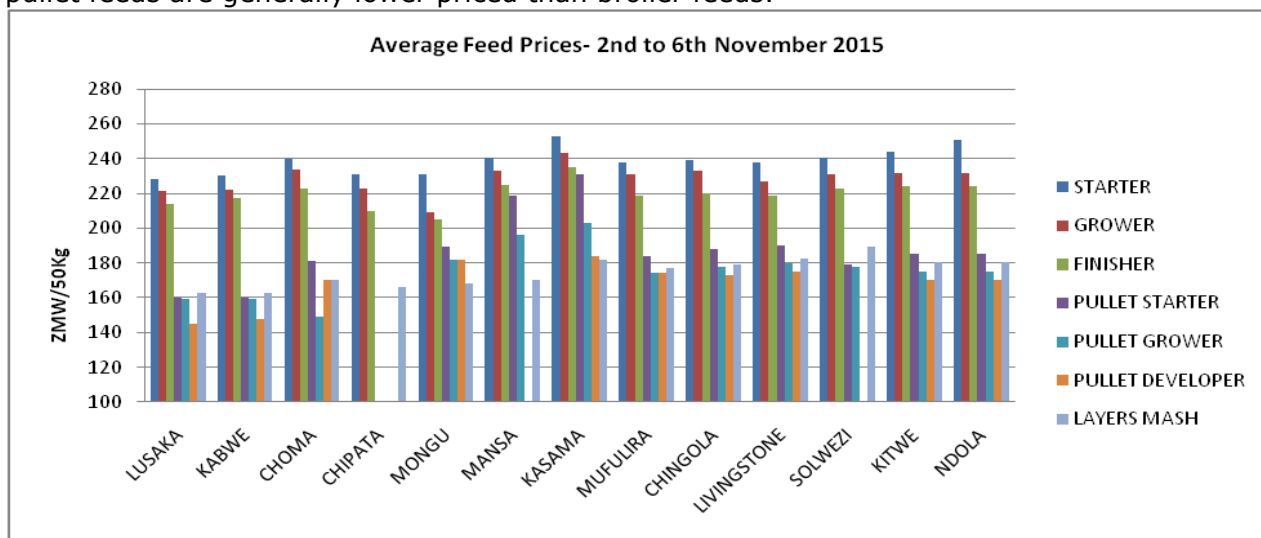
Source: Poultry Association of Zambia

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AVERAGE FEED PRICES

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

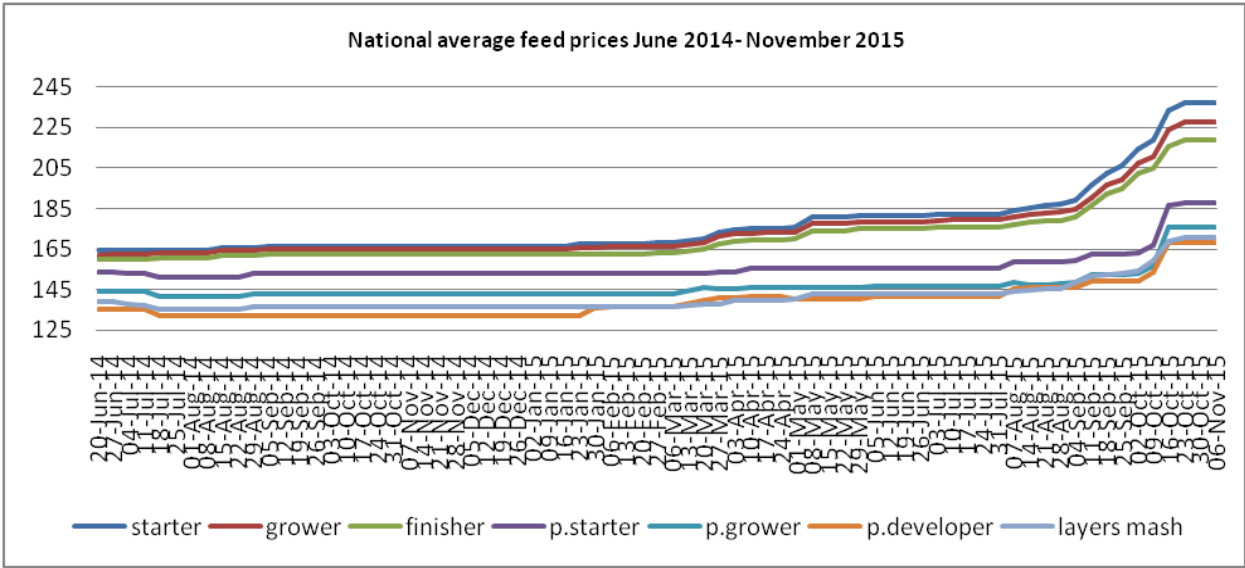


Source: Poultry Association of Zambia

The graph below shows the national average price trend of feed prices from June 2014 to November 2015. The graph shows that prices of feed have been relatively stable the past two weeks. However compared 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.

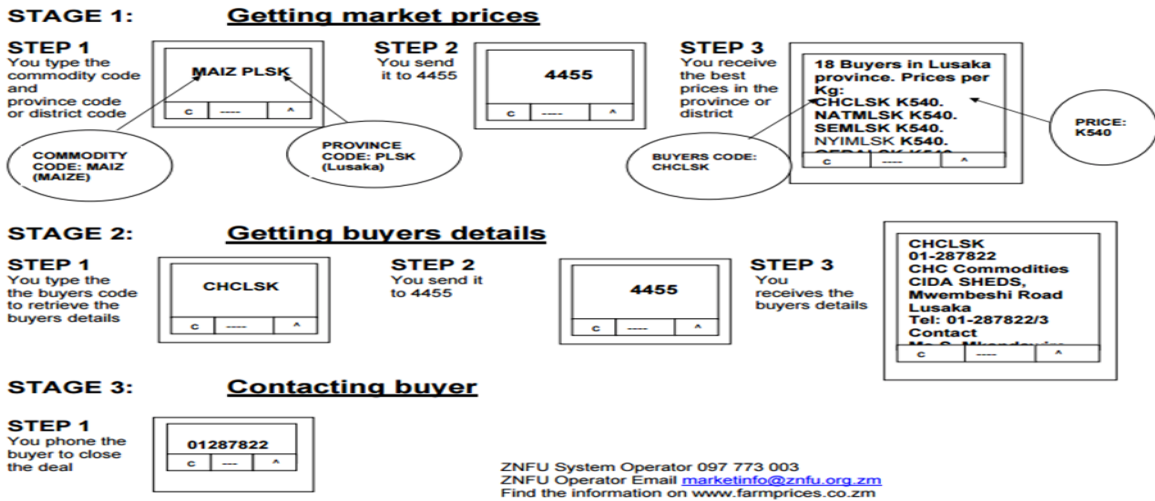
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Source: Poultry Association of Zambia

ZNFU Market Price Information



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